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REPORTS

FROM

COMMITTEES:

NINE VOLUMES.

— *(1.)* —

ACCOUNTS, PUBLIC; ALDERSHOT ROADS;
BANKRUPTCY; BRITISH AND FOREIGN SPIRITS.

Session
11 *February* 1890 —— 18 *August* 1890.

VOL. X. 18

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REPORTS FROM COMMITTEES:

1890.

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FIRST VOLUME.

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FIRST

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
26 *February* 1890.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
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ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

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Committee of Public Accounts.

Committee nominated,—[*Thursday*, 13*th February* 1890]—of—

Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Sir Walter Barttelot.
Mr. Salt.
Mr. Barran.
Sir Richard Temple.
Mr. Jackson.
Mr. Lane.
Mr. Sydney Buxton.
Mr. Arthur O'Connor.
Mr. Wodehouse.

Ordered, That the Committee have power to send for Persons, Papers, and Records.

Ordered,—[*Friday*, 14*th February* 1890]:—That the Committee on Public Accounts do consist of Twelve Members.

That Mr. Donald Crawford be added to the Committee.

Ordered,—[*Tuesday*, 25*th February* 1890]:—That the Report of the Select Committee on Estimates Procedure (Grants of Supply), of Session 1888, be referred to the Committee of Public Accounts.

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FIRST REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made progress in the Matters to them referred, and have agreed to the following FIRST REPORT:—

1. AT the first meeting of your Committee held this day, two letters from the Secretary to the Treasury, addressed to "the Chairman of the Public Accounts Committee," were laid before them.

The first of these letters, dated 21st February, informs your Committee that the Treasury "have found it desirable in preparing the Estimates for the Civil Services for 1890-91, "to effect some re-arrangements of the Votes, resulting in a reduction of their number." The letter is accompanied by a statement of the "Proposed Reduction in Numbers of "Separate Votes," comparing the present Votes with those proposed.

The second letter, dated 22nd February, states, "that after a careful con- "sideration by a Committee representing the three Departments," viz., the Treasury, Admiralty, and War Department, "it has been determined to re-arrange the Army and "Navy Estimates." Then follows a comparative statement of the "Old Arrangement" and the "New Arrangement."

Summaries of the Army Estimates and the Navy Estimates "for 1889-90 as pre- "sented to Parliament, and as re-arranged for 1890-91," are enclosed.

All these Papers are printed in the Appendix to this Report.

2. The Estimates Procedure (Grants of Supply) Committee, 1888, whose Report has been referred to your Committee, made the following recommendation:—

"Your Committee would call attention to the Paper handed in by Mr. Kempe, in so far "as it shows how several Votes in the same Class might be grouped on the principle of "placing together Votes for which the same Minister is responsible. Estimates Procedure (Grants of Supply) Select Committee's Report, 1888.

"Your Committee recommend that such a scheme of grouping should receive the "attention of the Treasury, and be submitted for the consideration of the House."

3. The following are extracts from the Third Report of the Public Accounts Committee in 1888:—

"Your Committee cannot, therefore, but regret that the Admiralty did not propose, and "that the Treasury did not insist upon a postponement of the adoption of the new form "of Estimates until the House of Commons or your Committee had been given an "opportunity of expressing their opinion upon it. . . . Moreover, if the changes of "form were held to require the judgment of your Committee, it seems only reasonable that "they should have been submitted to your Committee before they were adopted, in accord- "ance with the precedents of 1867, when the plan of Messrs. Foster and Vine for the "classification of the Civil Service Estimates was submitted to, and approved by the Public "Accounts Committee of that year, and of 1881, when the scheme for dealing with Army "and Navy Extra Receipts was submitted and approved in like manner." Paragraph 7, Third Report, Public Accounts Committee, 1888.

The Committee suggested that a certain "promise would have been fulfilled if a "model of the revised Estimates had been laid before the House of Commons, so as to "enable the House to examine them, and, if thought desirable, to refer them to your "Committee before so important a change was adopted. Such a course would have "afforded full opportunity for considering, with the aid of the War Department and the "Treasury, whether, and, if so, how far similar changes in the Army Estimates would be "desirable, with the object of securing an improved, and, at the same time, more uniform "classification." Paragraph 8, Third Report, Public Accounts Committee, 1888.

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Paragraph 52, Third Report, Public Accounts Committee, 1888.

"52. As a whole, therefore, your Committee do not object to the adoption of the new "form for next year, subject to the modifications suggested in this Report. In the mean- "while they recommend that the Admiralty and War Departments should, in conference "with the Treasury, consider whether a form of Estimate insuring approximate uniformity "for both Departments might not be framed and be laid before the House of Commons, "with a view to its being permanently adopted."

4. Your Committee concur with the opinions expressed in the foregoing extracts from the Report of 1888.

They therefore hold that proposals to alter the form of the Estimates and the number of the Votes, similar to those now brought before your Committee, should, in the first instance, be laid before the House, so as to enable the House to examine them, and if it should think fit, to refer them to the Public Accounts Committee before an important change is adopted.

Vide Standing Order 77.

5. If the House should determine to refer any proposed changes to your Committee, they will be prepared to consider them, so far as regards the proper functions of your Committee, which relate to the Accounts and to the maintenance of due Parliamentary control over expenditure.

Your Committee do not desire to deal with any questions relating to the voting of the Estimates in Committee of Supply. These seem to them to be outside the scope of their duties.

CIVIL SERVICES.

Class III.

Vote 3.—County Courts.

6. A deficit of 8,031 *l.* 12 *s.* 3 *d.* has occurred on this Vote. The explanations given to your Committee point to a large increase of business beyond what was anticipated in the last three months of the year, as the cause of the Excess, and of the absence of a Supplementary Estimate to meet the expenditure.

Vote 6.—Land Registry.

7. By inadvertence the balance of a salary was omitted from a Supplementary Estimate. An excess of 20 *l.* 14 *s.* consequently occurred on this Vote.

26th February 1890.

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PROCEEDINGS OF THE COMMITTEE.

Wednesday, 26th February 1890.

MEMBERS PRESENT:

Mr. Salt.
Sir Walter Barttelot.
Sir Richard Temple.
Sir Ughtred Kay-Shuttleworth.
Mr. Jackson.
Mr. Arthur O'Connor.
Mr. Donald Crawford.
Mr. Lane.
Mr. Sydney Buxton.

Sir UGHTRED KAY-SHUTTLEWORTH was called to the Chair.

The Committee considered the Excesses in Votes 5 and 6 of Class III. of the Civil Service Appropriation Accounts, 1888–89.

Sir *Charles L. Ryan*, K.C.B., Mr. *Henry Nicol*, and Mr. *E. W. Hamilton*, C.B., were examined.

The Committee considered the letters from the Treasury respecting proposed re-arrangement of the Votes.

Mr. *Spring-Rice* and Mr. *Ryder* were examined.

The room was cleared, and the Committee deliberated.

DRAFT FIRST REPORT, proposed by the *Chairman*, brought up, and read the first and second time,—amended, and *agreed to*.

Question, That this Report, as amended, be the First Report of the Committee to the House, —put, and *agreed to*.

Ordered, To Report, together with Minutes of Evidence, and an Appendix.

[Adjourned till Wednesday next, at Two o'clock.

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LIST OF WITNESSES.

Wednesday 26th February 1890.

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Mr. Edward W. Hamilton, C.B., Sir Charles Lister Ryan, K.C.B., and Mr. G. L. Ryder, C.B. 1

Mr. Henry Nicol - - - - - - - - - - - - - - - 1

Mr. Stephen Edward Spring-Rice - - - - - - - - - - - 3

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MINUTES OF EVIDENCE.

Wednesday, 26th February 1890.

MEMBERS PRESENT:

Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Donald Crawford.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Mr. Lane.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE ESTIMATES.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. G. L. RYDER, C.B., called in; and Examined.

CLASS III.

EXCESSES ON GRANTS.

On VOTE 5.—COUNTY COURTS.

Mr. HENRY NICOL, called in; and Examined.

Chairman.

1. ON the County Courts Vote it seems that the Grant has been exceeded by 8,031 *l.* 12 *s.* 3 *d.*, and the explanation given is that there has been an increase of business; is that the cause of the excess?—Yes.

2. The Comptroller and Auditor General calls attention to the fact that "apparently no corresponding proportional increase in the fees chargeable has resulted;" perhaps you can explain why that is so?—Will you let me explain first of all my answer to the first question as to whether there has been such an increase in business. According to my books up to the 31st of December 1888 there had been expended for salaries, which is the item that causes a great increase, 261,446 *l.* Then to estimate whether I should want a Supplementary Vote or not, I could only add one-third to that amount, which was for the nine months, so as to make up the twelve months. The amount for the nine months being 261,446 *l.*, a third of that would be 87,148 *l.*; and that gave me a total expenditure for salaries of 348,594 *l.* I had ob-

Chairman—continued.

tained a Vote for 361,360 *l.*; therefore, this time last year I had a right to expect that at the end of the year I should have to surrender, and not that there would be a deficit. But the actual expenditure in the next three months was 106,000 *l.*, being an addition of 19,000 *l.* over the one-third of the amount for the nine months. That is my explanation for not having asked for a Supplementary Vote.

3. Then there were increases also upon other Sub-Heads, Printing and Stationery, Registrars in Bankruptcy, Postage, Conveyance of Persons Committed, and other small items?—Yes, they are comparatively small; the great increases is in the salaries, inasmuch as they are paid upon the business that comes into the court: there is paid 4 *l.* for every twenty-five plaints entered.

4. As regards the second point I put to you that apparently no corresponding proportional increase in fees chargeable has resulted, will you explain how that is?—I am sorry to say that for some years the amount for which plaints are entered has been falling off.

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26 *February* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. H. NICOL. [*Continued.*

CIVIL SERVICE ESTIMATES.

Class III.—Vote 5.—County Courts—*continued.*

Mr. *Jackson.*

5. Is it a matter of regret?—I do not know that it is; I am only looking at the matter from a financial point of view. In 1879 the amount sued for per plaint was 3 *l.* 2 *s.*; in 1884 it had dropped to 3 *l.*; and in 1888 to 2 *l.* 18 *s.* The fee is 1 *s.* in the £. upon the entry of the plaint; and 2 *s.* in the £. upon the hearing; so that such a falling off as 4 *s.* causes 20,000 *l.* loss in fees.

Chairman.

6. The amount of extra receipts paid into the Exchequer seems to have been even less than was estimated for, in spite of the increase of business?—Yes.

7. Is that owing to the smallness of the average amount of the plaints?—Yes. I may mention that for some years it has been falling off.

8. (To Sir *C. L. Ryan.*) Do these answers satisfy you?—Yes, I think they do.

Mr. *Arthur O'Connor.*

9. (To Mr. *Nicol.*) In the last three months you had anticipated would require some 80,000 *l.*?—£. 87,000.

10. As a matter of fact, you did require 106,000 *l.*?—Yes.

11. That is 19,000 *l.* more than you anticipated?—Yes.

12. How do you account for there being a so very much heavier proportionate charge in the last three months of the financial year than in any other three months?—I do not say that it was heavier than in any other three months.

13. I understood you to say that you took the first nine months of the year as the basis of calculation, and you divided the total shown by those nine months by three to get one quarter, and the quotient you obtained was 87,000 *l.*; as a matter of fact you required 19,000 *l.* beyond the 87,000 *l.*?—Yes.

14. You spent more than you anticipated, and more than in any other quarter?—Yes; that is to say the business came.

Mr. *Jackson.*

15. Could you say what the expenditure in each quarter of the year has been; have you figures showing that?—Yes, I have prepared a table showing the expenditure in each quarter for some years past.

16. That table would show whether the expenditure in the last quarter was greater than in any of the others?—Yes; for the quarter ending June 1888 the expenditure was 76,000 *l.*; in the quarter ending the 30th September it was 89,000 *l.*; in the quarter ending the 31st of December it was 96,000 *l.*; in the last quarter of the year, which caused the deficit, it was 106,000 *l.*, and there is the same variation every year as shown by the figures I have here.

Mr. *Arthur O'Connor.*

17. Does not every year show the same experience?—Yes.

18. Then why did you take one-third of the nine months for the last quarter?—It was all I could do; I took one-third, but I doubted so much that in the previous year I had estimated it at 360,000 *l.*

19. You have already told us, as I understand, that each year reproduces the same experience, namely, that in the March quarter the expenditure is greater?—No, I do not say that; I say that all the quarters vary; I will read you the figures; in 1884 the March quarter was 79,000 *l.*

Mr. *Jackson.*

20. Have you the amounts of the March quarters for several years there?—Yes, the March quarter in 1884 was 79,000 *l.*, but the previous quarter, that is the December quarter, was 97,000 *l.*, so that you see there the amount for the three months ending the financial year was less than that for the previous three months; so it was in 1885; and so it was in 1886; but in 1887 it was not so, nor in 1888.

Mr. *Arthur O'Connor.*

21. Would you let me look at the figures in that table?—Certainly (*handing the same to the honourable Member.*)

22. You told us, as I understand, that the average amount per plaint is going down?—Yes.

23. But there is not a constant rise in the comparative importance of the business dealt with in county courts; is not the jurisdiction of county courts being extended to kinds of business in which the sums involved are materially larger than the small debts which used to be recovered there?—Yes.

24. And the jurisdiction of the county courts in the quarter that we are now dealing with had been raised by the County Court Act of 1888, had it not?—No; the only increase of jurisdiction given by the County Court Act of 1888 was to enable a Judge of the High Court, after an action had been brought in it for 100 *l.*, to send it for trial to a county court; previously he could not do so if the amount exceeded 50 *l.*

25. And a large number of cases were so remitted, I believe?—There were a few.

26. Were there not 750 such cases remitted in the six months?—I think not.

27. Were there not ninety cases remitted to two courts in London alone?—Yes, but the returns from the courts did not mention whether they were cases that could have been remitted prior to the County Court Act of 1888 or not.

28. Is there not a return showing the number of cases remitted in that very quarter?—Yes.

29. Does not it show that in two Metropolitan county courts alone the numbers were nearly 100 in the six months?—Yes, but they would not count as plaints, nor would the amount involved come in.

30. Are there no fees payable?—Yes, there is a fee payable for hearing.

31. Would not that fee be materially higher than 1 *s.* or 2 *s.*?—The fees would only be the same as in a 20 *l.* case, viz., 2 *s.* in the £. The percentage

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26 *February* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. H. NICOL. [*Continued.*

CIVIL SERVICE ESTIMATES.

Class III.—Vote 5.—County Courts—*continued.*

Mr. *Arthur O'Connor*—continued.

percentage does not go above 20 *l.*; we stop there.

32. Is the average amount per plaint still going down?—It is still going down.

33. I understand you to say that the average sum recovered by action in a county court is now less than 2 *l.* 18 *s.*?—That is the average amount sued for per plaint; I do not know what the recovery was; I did not go into that.

[The Witness withdrew.

On VOTE 6.—LAND REGISTRY.

Chairman.

34. (To Mr. *Hamilton.*) I see that there was a net deficit on Vote 6 for Land Registry of 20 *l.* 14 *s.*; and the explanation given is that by inadvertence the Supplementary Estimate which was subsequently submitted did not provide for the excess thus thrown upon the year 1888-89 by the necessary postponement of a charge for salary belonging to the previous financial year, and that apart from this deferred payment there would have been a small surplus of 2 *l.* 7 *s.* 6 *d.*

CIVIL SERVICE ESTIMATES.

Class III.—Vote 6.—Land Registry—*continued.*

Chairman—continued.

instead of a deficiency; have you any further explanation to give with regard to this point?—There is practically nothing to add to that explanation. I have been in communication with the accounting officer, and the only thing he has to add to the statement he has given is, that at the time when Mr. Emmet died his chief clerk retired, and I expect that was the real reason why the slip came to be made. He admits that it was a slip, and that he ought to have included the item in the Supplementary Estimate last year.

35. (To Sir *C. L. Ryan.*) Have you anything you wish to add upon this point?—I think not. It is clear upon the face of the account.

36. (To Mr. *Hamilton.*) I understand you desire to hand in some papers to the Committee?—I have to hand in various Treasury Minutes and letters dealing with the four Reports of the Public Accounts Committee of last year, and likewise the usual statement giving a comparison of Exchequer Issues with Audited Expenditure of the year antecedent to the year to which these accounts relate (*the same were handed in,* see *Appendix*).

RE-GROUPING OF ARMY AND NAVY ESTIMATES.—PROPOSED REDUCTION IN NUMBER OF SEPARATE VOTES.

Mr. STEPHEN EDWARD SPRING-RICE, called in; and Examined.

Chairman.

37. A LETTER has been received by this Committee, addressed to the Chairman, from Mr. Jackson, the Secretary of the Treasury, dated the 22nd of February, informing the Committee that a Committee representing the three Departments, namely, the Treasury, the Admiralty, and the War Department, has carefully considered the Estimates, and it has been determined to re-arrange the Army and Navy Estimates in the way indicated in the letter; we have also received a document showing the proposed reduction in the number of the separate Votes in the Civil Service Estimates. I should like to ask you whether these changes affect the Estimates for the coming financial year?—Yes, they do as regards the Civil Estimates, for which I am answering.

38. Before I ask you further upon that point, I would like just to obtain from you a very short summary of the changes proposed. On the Civil Service Estimates, I observe that it is proposed to reduce the number of Votes which there were in the Estimates in the current year from 137 to 106; is not that so?—Yes; but you will observe that of that reduction two Votes go off automatically in consequence of the Scotch Local Government Act.

39. Therefore the actual reduction would be from 135 to 106?—Yes, the proposed re-arrangement of the Civil Service Estimates is submitted

Chairman—continued.

in the Treasury letter of the 21st instant, of which I have a copy here.

40. A letter has been received by me, dated the 21st of February, from Mr. Jackson, the Secretary of the Treasury, to the Chairman of the Public Accounts Committee (I understand that letter has been sent from the Treasury to this Committee), submitting the proposed re-arrangement of the Civil Service Estimates?—Yes.

41. (To Mr. *Ryder.*) If you will look at the Treasury letter of the 22nd of February you will see that it is proposed to reduce the number of Votes for the Navy Estimates from 21 to 18?—That is so.

42. And in the Army Estimates from 26 to 14?—That is so, including numbers.

43. Taking all these Estimates together, I make the total number of Votes in the current year's Estimate 182, and the proposed number 138, making a total reduction of 44?—I think that very probably is right, but I have not the numbers before me.

44. Now, I observe in the letter of the 22nd of February that the Treasury based this proposal on the recommendation of the Estimates Procedure Committee of 1888?——

The Committee-room was cleared.

[The Committee deliberated and adjourned.

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APPENDIX.

APPENDIX, No. 1.

PAPER handed in by the *Chairman*, 26 February 1890.

LETTER from the Secretary of the Treasury to the Chairman of the Public Accounts Committee.

Sir, Treasury Chambers, 21 February 1890.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to inform you, with reference to the Fourth Report of the Committee of Public Accounts, 1888, that my Lords have found it desirable, in preparing the Estimates for the Civil Services for 1890–91, to effect some re-arrangements of the Votes, resulting in a reduction of their number.

Although my Lords believe that these changes raise no doubtful questions of inter-departmental responsibility, and do not disturb on any considerable point the traditional classification of the Estimates, they deem it their duty to bring the matter at the earliest opportunity under the notice of the Committee of which you are Chairman.

I am accordingly to enclose copies of two Papers intended to show in a convenient form the changes which have been made and their effects upon the amounts of the several Votes.

I am to add that the new Estimates will exhibit, by means of sub-totals or otherwise, the figures corresponding to the several Votes of 1889–90, so as to enable the reader to trace in detail the effects of the changes which have been made.

I am, &c.
(signed) *W. L. Jackson.*

The Chairman, Public Accounts Committee,
House of Commons.

CIVIL ESTIMATES.

RE-ARRANGEMENT of VOTES.

CLASS I.

1890–91.	1889–90.
1. Royal Palaces, including Marlborough House.	1. Royal Palaces. 2. Marlborough House.
2. Royal Parks and Pleasure Gardens.	3. Royal Parks and Pleasure Gardens.
3. Public Buildings, Great Britain.	4. Houses of Parliament. 5. Public Buildings. 7. Furniture of Public Offices.
4. Admiralty, Extension of Buildings.	6. Admiralty, Extension of Buildings.
5. Miscellaneous Legal Buildings, Great Britain.	9. County Court Buildings. 10. Metropolitan Police Courts. 11. Sheriff Court Houses, Scotland.
6. Art and Science Buildings, Great Britain.	13. Science and Art Department Buildings. 14. British Museum Buildings.
7. Diplomatic and Consular Buildings.	15. Diplomatic and Consular Buildings.
8. Revenue Department Buildings, Great Britain.	8. Revenue Department Buildings.
9. Surveys of the United Kingdom.	12. Surveys of the United Kingdom.
10. Harbours and Lighthouses, Abroad (Board of Trade).	16. Harbours under Board of Trade. 17. Lighthouses Abroad.
11. Peterhead Harbour (Admiralty).	18. Peterhead Harbour.
12. Caledonian Canal.	19. Caledonian Canal.
13. Rates on Government Property, United Kingdom.	20. Rates on Government Property, United Kingdom. 21. Metropolitan Fire Brigade.
14. Public Works and Buildings, Ireland.	22. Public Buildings, Ireland. 23. Science and Art Buildings, Dublin.

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CLASS II.

1890–91.	1889–90.
1. House of Lords Offices.	1. House of Lords Offices.
2. House of Commons Offices.	2. House of Commons Offices.
3. Treasury and Subordinate Departments.	3. Treasury. 20. Pay Office. 30. Exchequer, Scotland—Salaries only. IV. 13. Teachers' Pension Office, Ireland. V. 4. Suez Canal Directors.
4. Home Office and Subordinate Departments.	4. Home Office and Subordinate Departments.
5. Foreign Office.	5. Foreign Office.
6. Colonial Office.	6. Colonial Office.
7. Privy Council Office.	7. Privy Council Office (excluding Agricultural Department).
8. Board of Trade and Subordinate Departments.	8. Board of Trade and Subordinate Departments. 19. Patent Office.
9. Bankruptcy Department.	9. Bankruptcy Department of Board of Trade.
10. Board of Agriculture.	14. Land Commission (and Agricultural Department of Privy Council).
11. Charity Commission.	10. Charity Commission.
12. Civil Service Commission.	11 Civil Service Commission.
13. Exchequer and Audit.	12. Exchequer and Audit.
14. Friendly Societies Registry.	13. Friendly Societies Registry.
15. Local Government Board.	15. Local Government Board.
16. Lunacy Commission.	16. Lunacy Commission.
17. Mercantile Marine Fund.	27. Mercantile Marine Fund.
18. Mint and Coinage.	17. Mint and Coinage.
19. National Debt Office.	18. National Debt Office.
20. Public Works Loans Commission.	19. Public Works Loans Commission.
21. Record Office.	22. Record Office.
22. Registrar General.	23. Registrar General's Office.
23. Stationery Office and Printing.	24. Stationery Office and Printing.
24. Woods Office.	25. Woods Office.
25. Works Office.	26. Works Office.
26. Secret Service.	28 Secret Service.
27. Secretary for Scotland.	29. Secretary for Scotland. III. 18. Inspector of Constabulary, Scotland.
28. Fishery Board.	31. Fishery Board.
29. Lunacy Commission, N.B.	32. Lunacy Commission.
30. Registrar General, N.B.	33. Registrar General, N.B.
31. Board of Supervision.	34. Board of Supervision.
32. Lord Lieutenant and Chief Secretary. (Omitting Office of Arms and Queen's Plates, transferred to Class VII.)	35. Lord Lieutenant's Household. 36. Chief Secretary's Office.
33. Charitable Donations and Bequests.	37. Charitable Donations and Bequests Office.
34. Local Government Board, Ireland.	38. Local Government Board, Ireland.
35. Office of Works, Ireland.	39. Office of Works, Ireland.
36. Record Office, Ireland.	40. Record Office.
37. Registrar General, Ireland.	41. Registrar General.
38. Valuation and Boundary Survey, Ireland.	42. Valuation and Boundary Survey.

CLASS III.

ENGLAND AND WALES.

1890–91.	1889–00.
1. Law Charges.	1. Law Charges.
2. Miscellaneous Legal Expenses, England and Wales.	2. Criminal Prosecutions. 4. Railway and Canal Commission. 5. Wreck Commission. 8. Revising Barristers.
3. Supreme Court of Judicature and Land Registry. (England and Wales.)	3. Supreme Court of Judicature. 7. Land Registry.
4. County Courts (England and Wales).	6. County Courts
5. Police Courts (London and Sheerness).	8. Police Courts (London and Sheerness).
6. Police (England and Wales).	10. Police (England and Wales).
7. Prisons (England and the Colonies).	11. Prisons.
8. Reformatories (Great Britain).	12. Reformatories.
9. Broadmoor Criminal Lunatic Asylum.	13. Broadmoor.

SCOTLAND.

10. Law Charges and Courts of Law.	14. Lord Advocate, &c., N.B. 15. Courts of Law and Justice.
11. Register House Departments.	16. Register House Departments.
12. Crofters Commission.	17. Crofters Commission.
— Disappears under Local Government (Scotland) Act, 1889.	18. Police, N.B.
13. Prisons, N.B.	19. Prisons, N.B.

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CLASS III.—*continued.*

IRELAND.

1890–91.	1889–90.
14. Law Charges and Criminal Prosecutions.	20. Law Charges and Criminal Prosecutions.
15. Supreme Court of Judicature and other Legal Departments. (Accountant General of Supreme Court.)	21. Supreme Court. 22. Court of Bankruptcy. 23. Admiralty Registry. 24. Registry of Deeds. 25. Registry of Judgments.
16. Land Commission.	26. Land Commission.
17. County Court Officers, &c	27. County Court Officers, &c.
18. Dublin Police.	28. Dublin Police, &c.
19. Royal Irish Constabulary.	29. Constabulary.
20. Prisons.	30. Prisons, Ireland.
21. Reformatories and Industrial Schools.	31. Reformatories, &c.
22. Dundrum Criminal Lunatic Asylum.	32. Dundrum.

CLASS IV.

1890–91.	1889–90.
1. Public Education, England.	1. Public Education, England.
2. Science and Art Department, United Kingdom.	2. Science and Art Department.
3. British Museum.	3. British Museum.
4. National Gallery.	4. National Gallery.
5. National Portrait Gallery.	5. National Portrait Gallery.
6. Learned Societies and Scientific Investigation, United Kingdom. (Treasury.)	6. Learned Societies. 10. Universities, Scotland (Edinburgh Observatory). 17. Royal Irish Academy.
7. Universities and Colleges, Great Britain.	8. Universities and Colleges, Great Britain. 10. Universities, Scotland.
8. London University.	7. London University.
9. Public Education, Scotland.	9. Public Education, Scotland.
10. National Gallery „	11. National Gallery „
11. Public Education, Ireland.	12. Public Education, Ireland.
12. Endowed Schools Commissioners, Ireland.	14. Endowed Schools Commissioners.
13. National Gallery, Ireland.	15 National Gallery, Ireland.
14. Queen's Colleges „	16. Queen's Colleges „

CLASS V.

1890–91.	1889–90.
1. Diplomatic and Consular Services.	1. Diplomatic Services. 2. Consular Services.
2. Slave Trade Services.	3. Slave Trade Services.
3. Colonial Services, including South Africa.	5. Colonies, Grants-in-aid. 6. South Africa and St. Helena.
4. Cyprus, Grant-in-aid.	8. Cyprus, Grant-in-aid.
5. Subsidies to Telegraph Companies.	7. Subsidies to Telegraph Companies, &c.

CLASS VI.

1890–91.	1889–90.
1. Superannuation and Retired Allowances.	1. Superannuation and Retired Allowances.
2. Merchant Seamen's Fund Pensions, United Kingdom.	2. Merchant Seamen's Fund Pensions.
3. Savings Banks and Friendly Societies Deficiency.	6. Savings Banks and Friendly Societies Deficiency.
4. Miscellaneous Charitable and other Allowances, Great Britain.	7. Miscellaneous Charitable and other Allowances, Great Britain.
— Disappears under Local Government (Scotland) Act, 1889.	3. Pauper Lunatics, Scotland.
5. Pauper Lunatics, Ireland.	4. Pauper Lunatics, Ireland.
6. Hospitals and Charities, Ireland.	5. Hospitals and Infirmaries, Ireland. 8. Miscellaneous Charitable and other Allowances, Ireland.

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CLASS VII.

1890–91.	1889–90.
1. Temporary Commissions.	1. Temporary Commissions.
2. Miscellaneous Expenses (including all Grants for Heralds and Horses).	2. Miscellaneous Expenses.
	II. 30. Exchequer, Scotland, Lord Lyon. Queen's Plates, Hereditary Charges.
	II. 35. Lord Lieutenant's Household—Office of Arms and Queen's Plates.

REVENUE DEPARTMENTS unaltered.

SUMMARY.

Class.	1890–91.	1889–90.
I. - - - -	14	23
II. - - - -	38	42
III. - - - -	22	32
IV. - - - -	14	17
V. - - - -	5	8
VI. - - - -	6	8
VII. - - - -	2	2
Revenue - - -	5	5
TOTAL - - -	106	137

Decrease 31, of which two are automatic.

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APPENDIX, No. 2.

PAPER handed in by the *Chairman*, 26 February 1890.

ESTIMATES FOR CIVIL SERVICES.

ABSTRACT of ESTIMATES for CIVIL SERVICES, Classes I. to VII., for 1890-91, compared with the GRANTS for 1889-90.

No. of Vote.	Page of Estimate.	SERVICE.	1890-91.	1889-90. (Grants in Session of 1889.)	Compared with Grants for 1889-90.		Estimated Cash Extra Receipts payable to Exchequer.	
					Increase.	Decrease.	1890-91.	1889-90.
		CLASS I.	£.	£.	£.	£.	£.	£.
1	3	Royal Palaces and Marlborough House	36,725	36,178	547	—	1,800	1,800
2	7	Royal Parks and Pleasure Gardens	90,775	90,395	380	—	4,700	4,200
3	15	Public Buildings, Great Britain	195,767	188,948	6,819	—	12,900	12,220
4	26	Admiralty, Extension of Buildings	25,000	5,000	20,000	—	1,000	—
5	27	Miscellaneous Legal Buildings, Great Britain	60,522	64,457	—	3,935	5,040	4,200
6	30	Art and Science Buildings, Great Britain	24,062	21,057	3,005	—	10	10
7	33	Diplomatic and Consular Buildings	40,993	26,702	14,291	—	800	800
8	38	Revenue Department Buildings, Great Britain	337,465	244,710	92,755	—	4,780	5,580
9	49	Surveys of the United Kingdom	216,000	215,000	1,000	—	6,000	5,000
10	52	Harbours under Board of Trade, and Lighthouse Abroad	20,375	21,012	—	637	—	5,400
11	55	Peterhead Harbour	30,040	30,040	—	—	37	76
12	56	Caledonian Canal	5,000	5,000	—	—	—	—
13	57	Rates on Government Property	239,453	238,353	1,100	—	—	—
14	58	Public Works and Buildings, Ireland	272,873	239,459	33,414	—	6,744	7,149
		TOTAL of Class I. £.	1,595,050	1,426,311	173,311	4,572	43,811	46,435
		NET INCREASE £.			168,739.			

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ABSTRACT of ESTIMATES for CIVIL SERVICES—*continued.*

No. of Vote.	Page of Estimate.	SERVICE.	1890-91.	1889-90. (Grants in Session of 1889.)	Compared with Grants for 1889-90. Increase.	Compared with Grants for 1889-90. Decrease.	Estimated Cash Extra Receipts payable to Exchequer. 1890-91.	Estimated Cash Extra Receipts payable to Exchequer. 1889-90.
		CLASS II.						
		UNITED KINGDOM AND ENGLAND:	£.	£.	£.	£.	£.	
1	71	House of Lords Offices	43,193	44,244	—	1,051	23,000	21,000
2	75	House of Commons Offices	50,523	50,420	103	-	26,000	21,000
3	79	Treasury and Subordinate Departments	91,122	91,690	—	568	2,405	2,475
4	85	Home Office and Subordinate Departments	94,495	94,668	—	173	4,525	4,580
5	94	Foreign Office	71,326	70,366	960	—	700	700
6	97	Colonial Office	41,663	41,286	377	—	—	—
7	99	Privy Council Office	16,207	16,144	63	—	1,600	1,600
8	102	Board of Trade and Subordinate Departments	160,544	159,884	660	—	—	2,720
9	109	Bankruptcy Department of the Board of Trade	10	7	3	—	—	—
10	115	Board of Agriculture	55,342	48,420	6,922	—	—	—
11	118	Charity Commission, &c.	41,083	41,374	—	291	—	—
12	121	Civil Service Commission	40,496	40,168	328	—	50	25
13	123	Exchequer and Audit Department	57,612	54,882	2,730	—	—	—
14	126	Friendly Societies Registry	8,087	8,387	—	300	850	850
15	128	Local Government Board	164,747	160,823	3,924	—	2,000	2,000
16	135	Lunacy Commission	15,507	15,215	292	—	1,247	1,246
17	137	Mercantile Marine Fund, Grant in Aid	40,000	40,000	—	—	—	—
18	139	Mint, including Coinage	70,711	119,421	—	48,710	200,000	120,000
19	142	National Debt Office	13,731	13,208	523	—	—	—
20	144	Public Works Loan Commission	9,494	9,705	—	211	11,200	11,600
21	146	Record Office	21,636	21,506	130	—	—	—
22	149	Registrar General's Office	49,118	47,952	1,166	—	5,600	5,500
23	151	Stationery Office and Printing	555,182	567,162	—	11,980	96,500	92,700
24	157	Woods, Forests, &c., Office of	25,875	28,347	—	2,472	—	—
25	160	Works and Public Buildings, Office of	49,540	50,250	—	710	10	10
26	162	Secret Service	35,000	35,000	—	—	—	—
		SCOTLAND:						
27	163	Secretary for Scotland	11,533	11,220	313	—	16	8
28	165	Fishery Board	22,248	19,765	2,483	—	8,715	9,844
29	167	Lunacy Commission	5,795	5,736	59	—	400	400
30	168	Registrar General's Office	6,025	5,997	28	—	700	700
31	169	Board of Supervision	9,503	29,464	—	19,961	—	—
		IRELAND:						
32	171	Lord Lieutenant and Chief Secretary	44,558	45,275	—	717	373	303
33	177	Charitable Donations and Bequests Office	2,157	2,070	87	—	38	38
34	178	Local Government Board	132,602	131,550	1,072	—	—	—
35	182	Public Works Office	37,661	38,962	—	1,301	1,800	24,500
36	185	Record Office	5,635	5,737	—	102	—	700
37	187	Registrar General's Office	16,617	16,277	340	—	320	290
38	190	Valuation and Boundary Survey	23,007	23,588	—	581	10,000	10,500
		TOTAL of Class II. £.	2,139,585	2,206,150	22,563	89,128	398,049	335,289

NET DECREASE £. 66,565.

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ABSTRACT of ESTIMATES for CIVIL SERVICES—*continued.*

No. of Vote.	Page of Estimate.	SERVICE.	1890–91.	1889–90. (Grants in Session of 1889.)	Compared with Grants for 1889–90. Increase.	Compared with Grants for 1889–90. Decrease.	Estimated Cash Extra Receipts payable to Exchequer. 1890–91.	Estimated Cash Extra Receipts payable to Exchequer. 1889–90.
		CLASS III.	£.	£.	£.	£.	£.	£.
		UNITED KINGDOM AND ENGLAND:						
1	195	Law Charges	71,500	74,359	—	2,859	3,300	3,500
2	198	Miscellaneous Legal Expenses	59,133	157,832	—	98,699	13,044	12,881
3	203	Supreme Court of Judicature and Land Registry	393,900	396,212	—	2,312	62,750	62,370
4	218	County Courts	436,886	428,401	8,485	—	410,000	412,000
5	221	Police Courts (London and Sheerness)	18,594	18,242	352	—	13,000	11,500
6	223	Police, England and Wales	55,586	56,586	—	1,000	—	—
7	225	Prisons, England and the Colonies	656,701	678,305	—	21,604	31,500	31,500
8	236	Reformatory and Industrial Schools, Great Britain	292,419	282,088	10,331	—	20,500	19,500
9	240	Broadmoor Criminal Lunatic Asylum	32,033	30,609	1,424	—	867	900
		SCOTLAND:						
10	244	Law Charges and Courts of Law	122,423	122,829	—	406	28,000	26,000
11	253	Register House	38,559	37,480	1,079	—	100	50
12	255	Crofters Commission	9,620	9,120	500	—	—	—
13	256	Prisons, Scotland	100,090	100,424	—	334	4,862	22,142
—	—	*Police (Scotland)*	—	*155,000*	—	*155,000*	—	
		IRELAND:						
14	264	Law Charges and Criminal Prosecutions	80,571	83,910	—	3,339	445	400
15	267	Supreme Court of Judicature and other Legal Departments	116,099	115,169	930	—	1,950	2,150
16	278	Land Commission	115,687	113,214	2,473	—	—	—
17	281	County Court Officers, &c.	117,766	119,237		1,471	1,300	1,700
18	285	Dublin Metropolitan Police, &c.	98,117	148,624	—	50,507	—	50,205
19	291	Constabulary	1,439,490	1,439,956	—	466	64,720	66,390
20	299	Prisons, Ireland	128,499	131,065	—	2,566	3,500	3,500
21	312	Reformatory and Industrial Schools	111,250	110,521	729	—	970	970
22	314	Dundrum Criminal Lunatic Asylum	7,040	6,912	128	—	35	35
		TOTAL of CLASS III. £.	4,505,963	4,816,095	27,865	337,997	660,843	727,693

NET DECREASE £. 310,132.

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ABSTRACT of ESTIMATES for CIVIL SERVICES—*continued.*

No. of Vote.	Page of Estimate.	SERVICE.	1890–91.	1889–90. (Grants in Session of 1889.)	Compared with Grants for 1889–90. Increase.	Compared with Grants for 1889–90. Decrease.	Estimated Cash Extra Receipts payable to Exchequer. 1890–91.	Estimated Cash Extra Receipts payable to Exchequer. 1889–90.
		CLASS IV.	£.	£.	£.	£.	£.	£.
		UNITED KINGDOM AND ENGLAND:						
1	319	Public Education, England and Wales	3,782,224	3,684,339	97,885	—	500	450
2	324	Science and Art Department, United Kingdom	474,896	462,957	11,939	—	5,800	5,300
3	345	British Museum	155,145	155,975	—	830	1,500	1,500
4	357	National Gallery	14,594	14,487	107	—	1,050	1,200
5	359	National Portrait Gallery	2,209	2,191	18	—	—	—
6	360	Learned Societies, United Kingdom	25,253	27,603	—	2,350	—	—
7	363	Universities and Colleges, Great Britain	71,000	44,785	26,215	—	—	—
8	364	London University	14,874	14,810	64	—	14,500	13,500
		SCOTLAND:						
9	367	Public Education	611,581	575,376	36,205	—	25	30
10	372	National Gallery	2,300	2,300	—	—	—	—
		IRELAND:						
11	373	Public Education	918,316	917,847	469	—	35,750	35,250
12	386	Endowed Schools Commissioners	670	700	—	30	—	—
13	387	National Gallery	2,501	2,501	—	—	55	50
14	388	Queen's Colleges	11,957	10,528	1,429	—	6,700	5,500
		TOTAL of Class IV. £.	6,087,520	5,916,399	174,331	3,210	65,880	62,780
		NET INCREASE £. 171,121.						
		CLASS V.						
1	391	Diplomatic and Consular Services	407,909	422,792	—	14,883	—	10,000
2	423	Slave Trade Services	26,140	23,630	2,510	—	—	—
3	425	Colonial Services, including South Africa	126,920	107,985	18,935	—	225	770
4	430	Cyprus, Grant in Aid	35,000	45,000	—	10,000	—	—
5	431	Subsidies to Telegraph Companies, &c.	55,375	49,300	6,075	—	—	—
		TOTAL of Class V. £.	651,344	648,707	27,520	24,883	225	10,770
		NET INCREASE £. 2,637.						
		CLASS VI.						
1	435	Superannuation and Retired Allowances	479,989	480,472	—	483	—	—
2	458	Merchant Seamen's Fund Pensions	13,280	15,000	—	1,720	35	50
–	–	*Pauper Lunatics, Scotland*	—	*90,500*	—	*90,500*	—	—
3	459	Friendly Societies Deficiency	12,848	56,533	—	43,685	—	—
4	460	Miscellaneous Charitable and other Allowances, Great Britain	2,228	2,239	—	11	—	—
5	462	Pauper Lunatics, Ireland	112,362	109,005	3,357	—	—	—
6	463	Hospitals and Charities, Ireland	18,678	18,932	—	254	—	—
		TOTAL of Class VI. £.	639,385	772,681	3,357	136,653	35	50
		NET DECREASE £. 133,296.						
		CLASS VII.						
1	467	Temporary Commissions	29,374	23,689	5,735	—	—	—
2	478	Miscellaneous Expenses	12,738	12,401	337	—	6,850	6,750
–	–	*O'Reilly Dease Estate*	—	*4,507*	—	*4,507*	—	–
–	–	*Crofters' Colonization (Advances-in-Aid)*	—	*1,885*	—	*1,885*	—	—
3	–	Repayments to the Civil Contingencies Fund	—	2,348	—	2,348	—	—
4	–	Repayment to the Local Loans Funds	—	1,859	—	1,859	—	—
		TOTAL of Class VII. £.	42,112	46,639	6,072	10,599	6,850	6,750
		NET DECREASE £. 4,527.						

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APPENDIX, No. 3.

PAPERS handed in by the *Chairman*, 26 February 1890.

RE-GROUPING OF ARMY AND NAVY ESTIMATES.

LETTER from the Treasury to the Chairman of the Public Accounts Committee.

Sir, 22 February 1890.

THE Lords Commissioners of Her Majesty's Treasury desire me to explain, for the information of your Committee, the steps that have been taken to carry out the recommendation of the Public Accounts Committee, 1888, in the 52nd paragraph of their Third Report, that the Treasury, Admiralty, and War Department should confer together with a view to reducing the Army and Navy Estimates, so far as practicable, to a common form, and also the recommendation of the Estimates Procedure Committee of the same year that the Estimates, generally, should be re-grouped so as to lessen their numbers.

After careful consideration by a Committee representing the three Departments concerned, it has been determined to re-arrange the Army and Navy Estimates as follows :—

ARMY ESTIMATES.				NAVY ESTIMATES.			
No.	Old Arrangement.	No.	New Arrangement.	No.	Old Arrangement.	No.	New Arrangement.
	A.—NUMBERS.		A.—NUMBERS.		A.—NUMBERS.		A.—NUMBERS.
	Effective Services.		*Effective Services.*		*Effective Services.*		*Effective Services.*
1	Pay			1	Wages	1	Wages, &c.
2	Chaplains			6	Divine Service		
3	Prisons (Martial Law)	1	Pay, &c.	4	Martial Law	4	Martial Law.
8	Reserve						
4	Medical	2	Medical.	3	Medical	3	Medical.
5	Militia						
6	Yeomanry	3	Auxiliary Forces.	7	Reserves	7	Reserves.
7	Volunteers						
9	Transport and Remounts.	4	Transport and Remounts.	8	Shipbuilding— I. Section II. „ III. „	8	Shipbuilding— I. Section II. „ III. „
10	Provisions	5	Commissariat.	2	Victuals and Clothing	2	Victuals and Clothing.
11	Clothing						
12	Warlike Stores	6	Warlike Stores.	9	Naval Armaments	9	Naval Armaments.
13	Works	7	Works.	10	Works	10	Works.
14	Education	8	Education.	5	Education	5	Education.
				12	Scientific	6	Scientific.
15	Miscellaneous	9	Miscellaneous.	11	Miscellaneous	11	Miscellaneous.
16	War Office	10	War Office.	13	Admiralty	12	Admiralty.
	Non-Effective Services.		*Non-Effective Services.*		*Non-Effective Services.*		*Non-Effective Services.*
17	Rewards						
18	Half-Pay			14	Half-Pay		
19	Retired Pay			15	Reserved and Retired Pay	13	Half-Pay and Retired Pay, &c.
20	Widows	11	Non-Effective Charges, Officers.				
21	Wounds						
25	Retired Allowances, Auxiliary Forces			16	Naval Pensions	14	Naval Pensions, &c.
				17	Widows, &c.		
22	In-Pensions	12	Non-Effective Charges, Men.				
23	Out Pensions						
24	Civil Pensions	13	Civil Pensions.	18	Civil Pensions	15	Civil Pensions.
	Total Votes, including Numbers, 26		Total Votes, including Numbers, 14		Total Votes, including Numbers, 21		Total Votes, including Numbers, 18

N.B.—Each section of Navy Vote 8 is a separate Vote.

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Army.

It will be observed that the chief changes appear in the Army Estimates. The Army Effective Votes are reduced from 16 to 10, and the Non-Effective Votes from 9 to 3. The pay of chaplains, of prison officers, and of men in the Reserve, being part of the personal remuneration of the Regular Forces, has been added to the General Pay Vote. The three Auxiliary Forces Votes unite naturally in a Vote which is of like character to that of the Navy Reserves Vote. Provisions and Clothing have been always united administratively, and their combination in one Vote corresponds with Navy practice. Lastly, the grouping of Non-Effective Charges into officers, men, and civil, is fortunately possible without breaking up any of the old Votes.

Navy.

The Navy Estimates have been arranged in the foregoing table so as to bring the different services into juxtaposition with the Army Services most nearly resembling them, but at the necessary sacrifice of numerical order.

It seemed undesirable to make much change in the arrangement of the Navy Estimates in view of the complete recasting to which they were subjected in 1888. The Effective Votes are reduced from 15 to 14, by merging the Divine Service Vote, for the most part, into Wages; portions of it, however, had to be removed into Votes 3, 4, 5, 8, 11, and 12 (new arrangement).

The Divine Service Vote was first started in 1888, for the sake of correspondence with the like Vote in the Army Estimates, which has now disappeared.

In order to prevent alterations of number as much as possible, the Scientific Vote has been given the No. (6), formerly borne by the Divine Service Vote. It is preserved as a distinct Vote, because it is for other than purely Naval Services.

Unfortunately the Navy Non-Effective Votes cannot be completely divided into officers, men, and civil, without breaking some of them up: but they have been reduced from five to three, the first being for officers only, the second for both officers and men, and the third for civil pensions.

Both Army and Navy.

As regards both Army and Navy Estimates, the greatest care has been taken to preserve the means of comparison with past years by converting the merged Votes into distinct groups of Sub-heads with a general total for each group in the combined Vote. The only and inevitable exception to this rule is that of the Naval Divine Service Vote, which was of too composite a character to combine with any single Vote. As already pointed out, however, there was no object in preserving continuity of form in this case.

As the changes made have not affected the principles on which the Estimates are framed or impaired continuity in any important degree, and are in accord with previous recommendations of the Public Accounts and Estimates Procedure Committees, my Lords have not thought it necessary to submit them to your Committee before they were adopted: but they are anxious that the House of Commons should know that the new forms meet with your Committee's approval, or should at least have the benefit of your Committee's criticisms and suggestions upon them before the Estimates of 1890–91 come on for discussion. My Lords therefore direct me to communicate them to you at the earliest opportunity.

I am at the same time to enclose more detailed summaries of the Army and Navy Estimates respectively, which show them in both the old and new forms, and give the amounts voted for the current year.

2.

I am, &c.
(signed) *W. L. Jackson.*

To the Chairman
of the Public Accounts Committee,
House of Commons.

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SUMMARIES of ARMY and NAVY ESTIMATES for 1889–90, as presented to Parliament, and as Re-arranged for 1890–91.

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SUMMARY of ARMY ESTIMATES for 1889-90, as Presented

AS PRESENTED TO PARLIAMENT.

Votes. New Nos.	Votes. Old Nos.		1889-90. Gross Estimate.	Appropriations in Aid.	Net Estimate.
		I.—NUMBERS.			*Total Numbers*
A.	B.	Number of Men on the Home and Colonial Establishments of the Army, exclusive of those Serving in India.	—	—	152,282
		II.—EFFECTIVE SERVICES.	£.	£.	£.
1	1	General Staff Pay, Regimental Pay and Allowances, and other Charges.	6,031,300	1,026,800	5,004,500
	2	Chaplains' Department: Pay, &c.	57,267	67	57,200
	3	Staff of Military Prisons, &c.: Pay and other Charges.	29,414	414	29,000
	8	Army Reserve Force (including Enrolled Pensioners): Pay, &c.	478,640	1,040	477,600
		Total Vote 1.—Pay, &c., of Army (General Staff, Regiments, Reserve, and Departments) £.	6,596,621	1,028,321	5,568,300
2	4	Medical Establishments: Pay, &c.	301,100	1,600	299,500
3	5	Militia: Pay and Allowances	540,500	10,500	530,000
	6	Yeomanry Cavalry: Pay and Allowances	76,000	—	76,000
	7	Volunteer Corps: Pay and Allowances	743,002	302	742,700
		Total Vote 3.—Pay, &c., of Auxiliary Forces £.	1,359,502	10,802	1,348,700
4	9	Transport and Remounts	716,300	47,900	668,400
5	10	Provisions, Forage, Fuel, and other Commissariat Services.	2,645,000	40,000	2,605,000
	11	Clothing Establishments, Services, and Supplies	1,237,700	392,100	845,600
		Total Vote 5.—Commissariat and Cothing Services £.	3,882,700	432,100	3,450,600
6	12	Warlike and other Stores: Supply and Repair	2,099,600	291,600	1,808,000
7	13	Works, Buildings, and Repairs: Cost, including Superintending Establishment.	*766,782	51,782	*715,000
8	14	Military Educational Establishments: Pay and Miscellaneous Charges.	178,527	63,227	115,300
9	15	Miscellaneous Effective Services	92,566	2,766	89,800
10	16	War Office: Salaries and Miscellaneous Charges	258,850	50	258,800
		Total EFFECTIVE SERVICES £.	16,252,548	1,930,148	*14,322,400
		III.—NON-EFFECTIVE SERVICES.			
11	17	Rewards for Distinguished Services, &c.	19,195	3,495	15,700
	18	Half Pay	79,300	—	79,300
	19	Retired Pay, Gratuities, and Compensation allowed by Army Purchase Commissioners.	1,441,957	255,357	1,186,600
	20	Widows' Pensions and Compassionate Allowances	160,186	30,486	129,700
	21	Pensions for Wounds	15,700	2,800	12,900
	25	Retired Allowances to Officers of Auxiliary Forces	43,200	—	43,200
		Total Vote 11.—Non-Effective Charges for Officers, &c. £.	1,759,538	292,138	1,467,400
12	22	Chelsea and Kilmainham Hospitals (In-Pensions)	31,430	430	31,000
	23	Out-Pensions	1,785,200	447,800	1,337,400
		Total Vote 12.—Non-Effective Charges for Men, &c. £.	1,816,630	448,230	1,368,400
13	24	Superannuation, Compensation, and Compassionate Allowances.	177,646	46	177,600
		Total NON-EFFECTIVE SERVICES £.	3,753,814	740,414	3,013,400
		Total EFFECTIVE and NON-EFFECTIVE SERVICES £.	20,006,362	2,670,562	*17,335,800

* Exclusive of a Supplementary Estimate for 56,700*l.*

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to Parliament, and as Re-arranged for 1890–91.

AS RE-ARRANGED FOR 1890–91.

Votes. Nos.		1889–90. Gross Estimate.	Appropriations in Aid.	Net Estimate.
	I.—Numbers.			*Total Numbers.*
A.	Number of Men on the Home and Colonial Establishments of the Army, exclusive of those Serving in India.	—	—	152,282
	II.—Effective Services.	£.	£.	£.
1	Pay, &c. of Army (General Staff, Regiments, Reserve, and Departments).	6,596,621	1,028,321	5,568,300
2	Medical Establishments: Pay, &c. - - - - -	301,100	1,600	299,500
3	Pay, &c. of Auxiliary Forces - - - - - -	1,359,502	10,802	1,348,700
4	Transport and Remounts - - - - - - -	716,300	47,900	668,400
5	Provisions, Forage, Fuel, and other Commissariat Services, and Clothing Establishments, Services, and Supplies.	3,882,700	432,100	3,450,600
6	Warlike and other Stores: Supply and Repair - -	2,099,600	291,600	1,808,000
7	Works, Buildings, and Repairs: Cost, including Superintendent Establishment.	° 766,782	51,782	• 715,000
8	Military Educational Establishments: Pay and Miscellaneous Charges.	178,527	63,227	115,300
9	Miscellaneous Effective Services - - - - -	92,566	2,766	89,800
10	War Office: Salaries and Miscellaneous Charges - -	258,850	50	258,800
	Total Effective Services - - - £.	16,252,548	1,930,148	°14,322,400
	III.—Non-Effective Services.			
11	Non-Effective Charges for Officers, &c. - - -	1,759,538	292,138	1,467,400
12	Non-Effective Charges for Men, &c. - - - -	1,816,630	448,230	1,368,400
13	Superannuation, Compensation, and Compassionate Allowances.	177,646	46	177,600
	Total Non-Effective Services - - £.	3,753,814	740,414	3,013,400
	Total Effective and Non-Effective Services - - - - - - £.	20,006,362	2,670,562	°17,335,800

• Exclusive of a Supplementary Estimate for 56,700*l.*

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SUMMARY of NAVY ESTIMATES for 1889-90, as

AS PRESENTED TO PARLIAMENT.

VOTES.		ESTIMATES, 1889-90. GROSS ESTIMATE.	APPROPRIATIONS IN AID.	NET ESTIMATE.
	I.—NUMBERS:			*Total Numbers.*
A.	Total Number of Officers, Seamen, Boys, Coast Guard, and Royal Marines - - - - - -	—	—	65,400
	II.—EFFECTIVE SERVICES:	£.	£.	£.
1	Wages, &c., of Officers, Seamen and Boys, Coast Guard, and Royal Marines - - - - -	3,304,496	102,796	3,201,700
2	Victualling and Clothing for the Navy - - -	1,339,609	278,509	1,061,100
3	Medical Establishments and Services - - - -	141,230	19,330	121,900
4	Martial Law - - - - - - - - - -	11,444	44	11,400
5	Educational Services - - - - - - - -	92,080	20,180	71,900
6	Divine Service - - - - - - - - -	32,460	560	31,900
7	Royal Naval Reserves - - - - - - - -	147,575	75	147,500
8	Shipbuilding, Repairs, Maintenance, &c.:			
	Section I.—Personnel - - - - - -	1,640,400	21,100	1,619,300
	Section II.—Matériel - - - - - -	1,678,500	203,000	1,475,500
	Section III.—Contract Work - - - - -	1,565,000	—	1,565,000
9	Naval Armaments - - - - - - - - -	1,463,500	—	1,463,500
10	Works, Buildings, and Repairs at Home and Abroad	457,000	6,000	451,000
11	Miscellaneous Effective Services - - - -	131,550	2,750	128,800
12	Scientific Services - - - - - - - -	69,198	11,298	57,900
13	Admiralty Office - - - - - - - - -	225,920	8,520	217,400
	Total Effective Services - - - £.	12,299,962	674,162	11,625,800
	III.—NON-EFFECTIVE SERVICES:			
14	Half-Pay - - - - - - - - - -	78,916	16	78,900
15	Reserved and Retired Pay - - - - - -	718,525	25	718,500
16	Naval Pensions - - - - - - - - -	757,915	215	757,700
17	Widows' Pensions and Compassionate Allowances -	168,300	—	168,300
18	Civil Pensions and Gratuities - - - - -	338,192	1,992	336,200
	Total Non-Effective Services - - - £.	2,061,848	2,248	2,059,600
	GRAND TOTAL - - - £.	14,361,810	676,410	13,685,400

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Presented to Parliament, and as Re-arranged for 1890-91.

AS RE-ARRANGED FOR 1890-91.

VOTES.		ESTIMATES, 1889-90		
		GROSS ESTIMATE.	APPROPRIATIONS IN AID.	NET ESTIMATE.
	I.—NUMBERS:			*Total Numbers.*
A.	Total Number of Officers, Seamen, Boys, Coast Guard, and Royal Marines	—	—	65,400
	II.—EFFECTIVE SERVICES:	£.	£.	£.
1	Wages, &c., of Officers, Seamen and Boys, Coast Guard, and Royal Marines	3,325,993	103,356	3,222,637
2	Victualling and Clothing for the Navy	1,339,609	278,509	1,061,100
3	Medical Establishments and Services	142,707	19,330	123,377
4	Martial Law	11,944	44	11,900
5	Educational Services	92,194	20,180	72,014
6	Scientific Services	69,198	11,298	57,900
7	Royal Naval Reserves	147,575	75	147,500
8	Shipbuilding, Repairs, Maintenance, &c.:			
	Section I.—Personnel	1,644,844	21,100	1,623,744
	Section II.—Matériel	1,678,500	203,000	1,475,500
	Section III.—Contract Work	1,565,000	—	1,565,000
9	Naval Armaments	1,463,500	—	1,463,500
10	Works, Buildings, and Repairs at Home and Abroad	457,000	6,000	451,000
11	Miscellaneous Effective Services	135,538	2,750	132,788
12	Admiralty Office	226,360	8,520	217,840
	Total Effective Services £.	12,299,962	674,162	11,625,800
	III.—NON-EFFECTIVE SERVICES:			
13	Half-Pay, Reserved, and Retired Pay	797,441	41	794,400
14	Naval Pensions to Naval Officers and Widows, and Compassionate Allowances	926,215	215	926,000
15	Civil Pensions and Gratuities	338,192	1,992	336,200
	There will be an additional Vote to provide for the Annuity payable on account of the Cost of the Ships for Service in Australasian waters.			
	Total Non-Effective Services £.	2,061,848	2,248	2,059,600
	GRAND TOTAL £.	14,361,810	676,410	13,685,400

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APPENDIX, No. 4.

PAPER handed in by Mr. *E. W. Hamilton*, C.B., 26th February 1890.

PUBLIC ACCOUNTS COMMITTEE, 1889.

CIVIL ACCOUNTS.

TREASURY MINUTE, DATED 6TH JANUARY 1890.

1. MY Lords read the First Report and paragraphs 31 to 55 of the Fourth Report of the Committee of Public Accounts of last Session, dealing with the Appropriation Accounts of the Civil Services and Revenue Departments, and with Miscellaneous Funds, for the year 1887-88.

FIRST REPORT.

Excesses.

2. Excesses were shown on the Appropriation Accounts, as rendered by the Accounting Officers, of three Votes: but in the case of one of these the Comptroller and Auditor General recommended a disallowance which if sustained would have converted the deficit into a surplus. The Committee, however, not having pressed their objection to the admission of the disputed payment, the amount of the deficits, as shown by the Accounting Officers, was voted by the House of Commons on the 19th March 1889.

3. CLASS III.—*Vote* 5, *County Courts.* ¶ 1.

Write to the Superintendent, County Court Departments,

Sir,

THE net deficit of 10,426 *l.* 18 *s.* 8 *d.* on the Vote for your Department in 1887-88 was, as you are aware, voted by the House of Commons on the 19th March last.

The explanation of this deficit, as stated on the Appropriation Account, was that in some of the Courts the accounts were in that year for the first time brought up to the 31st December, and consequently both the expenditure and the receipts in such cases covered a period of more than twelve months. This change was suggested by the Comptroller and Auditor General, and is, in the opinion of Their Lordships, an improvement; but you admitted in evidence that its effects might have been foreseen and provided for, to their full amount, in the Supplementary Estimate which was taken for the service. As, however, the case is not very likely to recur, My Lords need make no further comment upon it; but I am to inquire whether the accounts of all the Courts are now made up, for the purpose of the Appropriation Account, to the 31st December.

Q 1.

Q 4.

I am, &c.

4. *Vote* 28.—*County Court Officers, &c., Ireland.* ¶ 2-7.

Write to the Treasury Remembrancer,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you a copy of paragraphs 2 to 7 of the First Report of the Public Accounts Committee, 1889, relating to the Vote for County Court Officers, &c., Ireland, 1887-88.

You will observe that, upon the explanations contained in Their Lordships' Minute of the 15th February last, the Committee do not press the objections formerly entertained to charging to this Vote the salaries of the officers now called Divisional Commissioners, at rates in excess of those prescribed by Statute for Resident Magistrates. The amount of the deficit as stated by you, viz., 336 *l.* 12 *s.* 6 *d.*, was voted by the House of Commons on the 19th March last.

I am, &c.

5. CLASS IV.—*Vote* 18, *Queen's Colleges, Ireland.* ¶ 8.

Write to the Chief Secretary for Ireland,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Lord Lieutenant, a copy of paragraph 8 of the First Report of the Public Accounts Committee, 1889, on the account of the Vote for Queen's Colleges, Ireland, 1887-88.

The deficit of 207 *l.* 3 *s.* having been voted by the House of Commons on the 19th March last, My Lords need only say that they trust that the error which gave rise to this deficit will not recur.

I am, &c.

FOURTH REPORT.

6. *Statements of Total and Net Cost.* ¶ 31.

My Lords are glad to find that the Committee agree in thinking it desirable that the Returns of total and net cost of each service, which for some years have been added to the Appropriation Accounts, should not be discontinued. They admit the truth of the Comptroller and Auditor General's contention that these Returns differ in character from the figures of the Appropriation Accounts to which he certifies. At the same time some such information is much needed in order to exhibit with approximate accuracy the actual cost to the taxpayer of the several Departments of State: nor can these statements of actual expenditure be replaced by the figures now inserted in the Estimates of "provision made in other estimates and on the Consolidated Fund," because of the necessarily very rough character of those figures, at least in regard to several branches of the service. Moreover, the statements furnished by the Departments to the Comptroller and Auditor General are by no means open

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open to a general charge of uncertainty; for example, the figures of pensions are matter of fact; the accounts of the Stationery Office are kept in great detail as against each Department; and as regards building charges it is obvious that the sum to be charged against many of the Public Departments can be calculated to a very close approximation. The item relating to Postal expenditure is no doubt open to exception, but can be defended on general grounds. My Lords have no doubt of the Comptroller and Auditor General's care in giving only such information as is in his opinion the best procurable: and they hope that he will continue to supply these useful figures, adding any note or preamble which he may think necessary to protect his Department from being charged with more than its share of responsibility for them.

CLASS I.

7. *Vote* 13.—*Surveys of the United Kingdom.* ¶ 32.

Claim for maps supplied to the Land Judges Court, Ireland.—Upon this matter, which has so often been before the Committee, my Lords can only record that, after careful investigation, it has been found impossible to suggest any other steps for expediting payment of such claims than those which have already been taken. They note that some 3,500 *l.* of the total arrear represents Accounts not rendered by the Survey, and, therefore, not ripe for recovery. 6083–89.

Write to the First Commissioner of Works,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 32 of the Fourth Report of the Committee of Public Accounts, 1889; and I am to ask for the latest figures obtainable of the sums due for maps supplied to the Land Judges Court, Ireland.

In the Comptroller and Auditor General's Report upon the Store Accounts of the Ordnance Survey for 1887–88 and in the evidence before the Committee reference is made to two questions which were dealt with by their Lordships in their letter (5129) of the 24th June last. They there decided— Q 2083.

(1) that it was not desirable that the Divisional Records of Stores should include stationery;

(2) that, if a special check were imposed on the issues and accumulations of perishable articles, it would not be necessary to incur the cost of a cash valuation of the stocks of Survey Stores.

With regard to the question of the loan of Stores to other Departments, I am to say that My Lords think that such loans should be made for definite periods, and that the borrowing Department should be made responsible for the safe custody of the objects lent and for their return at the close of the agreed period. In default of such return, it will be the duty of the Lending Department to make immediate inquiries. Q 2084–2094.

I am, &c.

CLASS II.

8. *Privy Seal Office*, 1884–85. ¶ 33.

My Lords observe that the Committee are satisfied with the settlement of the outstanding question on this Vote.

9. *Vote* 8.—*Board of Trade.* ¶ 34.

Write to the Secretary, Board of Trade,

Sir,

IN transmitting to you the enclosed copy of paragraph 34 of the Fourth Report of the Committee of Public Accounts for 1889, I am directed by the Lords Commissioners of Her Majesty's Treasury to state, for the information of the Board of Trade, that the opinion of the Committee should be acted upon: and as the surplus of 1,151 *l.* 12 *s.* 1 *d.* has been surrendered as shown in the Account of the Vote for the Board of Trade, 1887–88, no further action is necessary.

I am, &c.

10. *Vote* 12.—*Exchequer and Audit Department.* ¶ 35.

In deference to the recommendation of the Committee, My Lords have instructed the Auditor of the Civil List to associate himself with the Comptroller and Auditor General in the audit of the accounts of this Department, for which the Assistant Comptroller and Auditor is the Accounting Officer.

Mr. Mowatt to note.

11. *Vote* 14.—*Land Commissioners for England.* ¶ 36.

My Lords propose to obtain the sanction of Parliament to the application of the system of Appropriation in Aid to this service.

Write to the Secretary, Board of Agriculture,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you a copy of paragraph 36 of the Fourth Report of the Public Accounts Committee, 1889, relating to the accounts of the late Land Commissioners, England, for 1887–88.

The Board of Agriculture will probably agree with Their Lordships that the figures of outstanding advances, as laid before the Committee, require further explanation. My Lords are, however, aware from previous correspondence with the Land Commissioners that as regards the advances under the Extraordinary Tithe Redemption Act (the largest item in the advance), those Commissioners were unable to take any steps for recovery until not only had their final awards been made, but certain legal proceedings, over which they had no control, had been concluded. It appears, moreover, from Mr. Tattershall's statement, which Sir Charles Ryan laid before the Committee, that the total outstanding includes a sum of nearly 900 *l.* which the Land Commissioners considered should be written off as irrecoverable, and upon which they proposed to address the Treasury. No such communication appears to have reached this Board, but as regards the advances under the Extraordinary Tithe Act, My Lords presume that the amounts have by this time been considerably reduced. They would, however, be glad to be furnished with a table, in the same form as that signed by Mr. Tattershall, and dated 8th March last, giving the figures of outstanding advances made up to the latest convenient date. 17921–88, &c. Q 2138.

I am to inquire whether claims in such cases are made out at the earliest practicable opportunity, and what steps are taken to enforce their recovery in default of prompt payment.

I am, &c.

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12. *Vote* 15.—*Local Government Board.* ¶ 37.

Write to the Secretary, Local Government Board,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 37 of the Fourth Report of the Public Accounts Committee, 1889.

The Local Government Board will observe that there is general approval of the reforms which have been introduced in the administration of the travelling expenses charged upon the Vote for your Department. My Lords hope that the results will appear in the form of a reduction of the expenditure upon this service.

I am, &c.

13. *Vote* 19.—*Patent Office.*

Write to the Secretary, Board of Trade,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request that you will remind the Lords of the Committee of Privy Council for Trade that stamps for Patent "office copies" are issued in exchange for cash, Q 2182-2190 and that a question was raised before the Committee of Public Accounts upon the Patent Office Vote, whether an independent check upon the issue of such stamps could not be devised. The Committee itself did not make any recommendation, but My Lords have instructed their Officers of Accounts to inquire into the matter, and they will communicate with the Board of Trade upon receipt of a report from those gentlemen.

I am, &c.

14. *Vote* 24.—*Stationery and Printing.*

Q 2422-2426. The Committee examined the Controller upon some points raised in the Auditor's Report upon his Vote; but as they made no reference to it in their Report, My Lords need only remark that the small extra cost (say 100*l.* in the first year, and less subsequently) of supplying figures of the Estimated Expenditure for each Public Department on Stationery and Printing is fully repaid by the advantages (referred to in Paragraph 6 of this Minute) of a fuller complete Statement of the total cost of each Public Department.

15. *Vote* 25.—*Office of Woods, Forests, and Land Revenues.* ¶ 38.

Write to the Commissioners of Woods,

Gentlemen,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you the enclosed copy of Paragraph 38 of the Fourth Report of the Public Accounts Committee, 1889.

I am, &c.

Write to the Civil Service Commissioners,

Gentlemen,

WITH reference to your letter of the 7th February 1888 to the Audit Office respecting the case of two writers (Messrs. Titterton and Taylor), employed at the Office of Woods, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 38 of the Fourth Report of the Public Accounts Committee, 189, from which you will learn the conclusion of the matter dealt with in that letter.

I am, &c.

16. *Vote* 27.—*Mercantile Marine Fund.* ¶ 39, 40.

The remarks of the Comptroller and Auditor General and of the Committee upon this Vote do not arise strictly speaking, upon the Account of the Vote itself, which being merely that of a Grant in Aid is perfectly simple; but they are directed to questions of the accounts, finance, and administration of the Mercantile Marine Fund, in aid which the Grant is made. The accounts of that Fund were formerly presented to Parliament as a separate paper either with or (as in 1883–84) without the appended Report of the Auditor; but, as recommended by the Committee of Public Accounts for 1885, they are now attached to the Appropriation Account of the Grant in Aid, and the remarks of the Auditor upon the Fund are now made in his Report on the Account of the Vote. This state of things leads to some danger of confusion between an Appropriation Audit and the more limited criticism applicable to the Mercantile Marine Fund, which not consisting of money granted by Parliament, is not subject to Appropriation Audit. My Lords may observe that they have never laid down formal regulations for the Audit of this Account in pursuance of the Act 45 & 46 Vict. c. 55, s. 7. It seems desirable that such regulations should now 18072—89. be prepared, in communication with the Departments concerned. My Lords learn from a letter of the Board of Trade dated 16th November, that that Department is of the same opinion.

The Comptroller and Auditor General criticises somewhat unfavourably the form of the Mercantile Marine Account. My Lords admit the force of the criticism, and consider that fuller particulars of the expenditure than now given should be furnished for the information of Parliament.

They desire that the Treasury Officers of Accounts will confer with the Accounting Officer of the Board of Trade and will prepare for submission to the Treasury and Board of Trade an expanded classification of the heads of expenditure, and will further submit to My Lords draft regulations for the audit of the Account.

Write to the Secretary, Board of Trade,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of Paragraphs 39 and 40 of the Fourth Report of the Public Accounts Committee, 1889, relating to the Mercantile Marine Fund, and a copy of their Lordships' Minute thereon. The Lords of the Committee of Privy Council for Trade will observe that My Lords agree with the opinion expressed in your letter of the 16th November, that formal regulations should be laid down for the audit of this Account, and are taking steps for giving effect to it.

I am, &c.

17. *Vote* 38.—*Local Government Board, Ireland.*

Q 2337-7423. 238—89, 4th Mar. 1889. With regard to the rent payable for the Castlelake Workhouse, referred to in the evidence taken by the Committee, My Lords have only to record that no further correspondence has come before them on the subject since the Committee sat. They assume, therefore, that the temporary arrangement referred to in the evidence still continues.

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CLASS III.

18. *Vote* 1.—*Law Charges, England.*

My Lords intend in framing the Estimates of 1890–91 to deal with the method of charging Extradition expenses of all kinds. 2348–2349.

19. *Vote* 3.—*Supreme Court of Judicature.* ¶ 41.

Write to the Lord Chancellor,

My Lord,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 41 of the Fourth Report of the Public Accounts Committee, 1889, respecting the late Redundant Clerks in the Central Office of the Supreme Court.

Your Lordship is familiar with the subject, which has now for some time ceased to have any practical importance, and My Lords only make this communication to you for purposes of record.

I am, &c.

20. *Vote* 12.—*Prisons, England.* ¶ 42.

Write to the Under Secretary of State, Home Office,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request you to inform the Secretary of State that the Public Accounts Committee of 1889 note, in their Report upon the Appropriation Account of the Vote for Prisons (England and the Colonies), 1887–88, that "satisfactory progress is being made respecting the "schemes for certain prison charities."

My Lords are aware of the endeavours of the Secretary of State and the Prisons Board to secure for the benefit of discharged prisoners as large a portion of such endowments as the Charity Commissioners will allot; and they hope to see the results in a reduction of Sub-head H. of the Vote.

I am, &c.

21. *Vote* 30.—*Constabulary of Ireland.* ¶ 43.

Write to the Chief Secretary for Ireland,

Sir,

IN transmitting to you the enclosed copy of paragraph 43 of the Fourth Report of the Public Accounts Committee, 1889, I am directed by the Lords Commissioners of Her Majesty's Treasury to request you to inform His Excellency the Lord Lieutenant that the views of that Committee on the subject of the payments to the Officers now styled Divisional Commissioners are expressed in paragraphs 2 to 6 of their First Report, of which also I am to enclose a copy.

I am further to state that the Committee took evidence on the subject of the sums due for extra Police Force from Limerick City and Galway County, though they made no reference to the subject in their Report. In the event of the question being raised again and no progress shown in recovering these amounts, His Excellency should be prepared to explain the position taken up by the Irish Executive in the matter. Q 2366–2368. 19825–88, 22nd June 1889.

I am, &c.

CLASS IV.

22. *Vote I.—Public Education (England and Wales).* ¶ 44–46.

Write to the Secretary, Education Department,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you the enclosed copy of paragraphs 44 to 46 of the Fourth Report of the Public Accounts Committee, 1889; and I am to request you to inform the Lords of the Committee of Privy Council for Education that My Lords entirely concur with the Committee upon all the points to which they refer. They give their formal covering sanction to the payment to the Whitechapel School alluded to in paragraph 46.

I am, &c.

23. *Vote* 11.—*Public Education (Scotland).* ¶ 47.

Write to the Secretary, Scotch Education Department,

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request you to submit to the Lords of the Committee of Privy Council for Education in Scotland the enclosed copy of paragraph 47 of the Fourth Report of the Public Accounts Committee, 1889, which paragraph settles the disputed question of the inclusion in the school income of receipts from sales of books to children.

The doubt which existed as to the power of relaxing the conditions of grant in the counties of Caithness and Sutherland in the same manner as in Inverness, &c., has been set at rest by an Act of last Session. Q 2655–2661, 52 & 53 Vict. c. 75.

My Lords understand from your letter of the 16th ultimo that the Lords of the Committee desire to bring forward further explanations respecting the overpayment to Mr. Todd on the account for 1885–86; and I am to say that My Lords are ready to receive any such explanations. They must, however, bear in mind the great objections to asking the Public Accounts Committee to alter a decision at which it arrived more than two years ago. Q 2631–2636 and 16426–89.

I am, &c.

CLASS VI.

24. *Vote* 1.—*Superannuation and Retired Allowances.* ¶ 48–50.

Write to the Paymaster General,

My Lord,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you the enclosed copy of paragraphs 48, 49, and 50 of the Fourth Report of the Committee of Public Accounts, 1889.

My Lords have undertaken that the breach of the law committed in the case of Mr. Irving of Penang (para. 50) shall not be repeated.

The overpayment to Duncan Anderson in 1887–88 having been recovered, the surplus to be surrendered upon the Vote will be that returned by you upon the Appropriation Account.

I am, &c.

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Class VII.

25. *Vote* 4.—*Celebration of the Jubilee of Her Majesty's Reign.* ¶ 51.

Write to the First Commissioner of Works.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 51 of the Fourth Report of the Public Accounts Committee, 1888, observing that My Lords agree with the Committee that on occasions such as that which gave rise to the Vote, tenders should so far as possible be invited from more than one firm.

I am, &c.

Revenue Departments.

26. *Vote* 2.—*Inland Revenue.* ¶ 53.

Write to the Commissioners of Inland Revenue,

My Lord and Gentlemen,

In transmitting to you the enclosed copy of paragraph 53 of the Fourth Report of the Public Accounts Committee, 1889, I am directed by the Lords Commissioners of Her Majesty's Treasury to request that you will in future append to the Appropriation Account of your Vote a brief statement of the particulars of all cases included in Sub-Head R. (Losses by Fraud, Default, and Accident) of the Vote for your Department.

I am, &c.

27. *Votes* 3 *and* 5.—*Post Office.* ¶ 53, 54.

Write to the Postmaster General,

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraphs 53 and 54 of the Fourth Report of the Public Accounts Committee, 1889.

With regard to the substitution of non-established for established labour in the Post Office, My Lords allow you free discretion within the sanctioned numbers of each establishment, and subject to the maximum of wages authorised by this Board. But no addition should be made to such numbers without Treasury sanction, except as a temporary measure to meet special emergencies.

The question of the audit of Telegraph Store Accounts is under their Lordships' consideration so far as relates to the method in which and the extent to which stock should be taken. But My Lords have no doubts as to the necessity of stock being taken, under suitable regulations, by an officer of the Post Office independent of the Storekeeper's Department.

I am, &c.

28. Local Loans Fund.

My Lords observe that in his Report on the first account of the Local Loans Fund the Comptroller and Auditor General makes various remarks upon the adminstration of the Loan Service in Ireland by the Commissioners of Public Works. My Lords have had this difficult and complicated question under their repeated consideration, and have directed such action to be taken as was in their opinion calculated to secure the best results possible in the circumstances of the numerous and varying cases concerned. It is not necessary for them to discuss on the present occasion the administration of this branch of the public service, nor could they profitably do so without going into very considerable detail. They will confine themselves to a concurrence in the hope of the Committee that the accumulation of arrears will be checked.

29. *Copy to Comptroller and Auditor General.*

Write to the Comptroller and Auditor,

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, for your information, a copy of their Minute of the 6th January 1890, on the First and part of the Fourth Reports of the Committee of Public Accounts, 1889.

I am, &c.

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APPENDIX, No. 5.

PAPER handed in by Mr. *E. W. Hamilton*, C.B., 26th February 1890.

PUBLIC ACCOUNTS COMMITTEE, 1889.

TREASURY LETTER ON SECOND REPORT.

Write to the Secretary of the Admiralty.

Sir, 6 May 1889.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 17th ultimo, giving certain explanations respecting the form of Vote B. in the Navy Estimates for 1889-90, and submitting a form of resolution by means of which the Lords Commissioners of the Admiralty propose to obtain the approval of the House of Commons for the Vote.* No, 2 E. 582 1227.

My Lords have also had before them the Second Report of the Committee of Public Accounts of this Session, in which that Committee express their approval of the form of Vote B.

I am to state, for the information of the Lords Commissioners of the Admiralty, that my Lords likewise approve of Vote B., and of the proposed form of resolution, viz. :—

"Resolved, that the Programme of the estimated expenditure in cash, and in net values of stores issued, for "shipbuilding, reconstruction, repairs, maintenance, &c., in the year 1889-90, as shown on page 159 of the "Navy Estimates, be approved."

In the fourth paragraph of their Second Report, the Public Accounts Committee speak of the logical consequence of this arrangement being that the action of the Admiralty will be subject to "statutory restraint," as well as Treasury control. This will be true as soon as Parliament has, as indicated in the 3rd paragraph of the same Report, placed the Admiralty under a legal obligation to render the Annual Navy Expense Accounts to the Comptroller and Auditor General in conformity with the Programme, and directed that officer to examine those Accounts, and report the results to Parliament. But my Lords would explain that, as at present proposed, Vote B. *will not be embodied* in the Appropriation Act, and the Parliamentary approval of it will be confined to a Resolution *of the House* of Commons only. The submission of Vote B. for the approval of that House will not, therefore, of *itself, subject* the Admiralty to any fresh "statutory restraint."

I am, &c.

* *Note.*—It was not found practicable to submit Vote B. for approval by Resolution of the House of Commons, as had been originally intended; but Parliament has given an indirect sanction to the Programme of Shipbuilding comprised in Vote B., by the Act 52 & 53 Vict. c. 31. It is to be observed that this Act constitutes Vote B. the standard by reference to which the Comptroller and Auditor General is to examine the Expense Accounts of the Admiralty.

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APPENDIX, No. 6.

PAPER handed in by Mr. *E. W. Hamilton*, C.B., 26th February 1890.

TREASURY MINUTE on THIRD REPORT of PUBLIC ACCOUNTS COMMITTEE, 1889.

COPY of TREASURY MINUTE, dated 20th August 1889.

1. MY Lords read the Third Report of the Committee of Public Accounts of this Session, dealing with Navy Appropriation Account for 1887–88, and have before them that Account, with the Report of the Comptroller and Auditor General thereon.

2. The peculiar feature of this Account is that it presents two large deficits, viz.:—

	£. s. d.
Vote 2. Victuals and Clothing - - - - - - - - - - - -	49,895 2 1
„ 10¹. Naval Stores - - - - - - - - - - - - -	141,280 13 4

for which my Lords declined to give covering sanction in their letter of the 31st December last.

3. The Committee support the position taken by the Treasury in regard to both these deficits. They consider that a "grave irregularity has occurred," and that the explanation of the excesses given in the accounts is "incorrect;" but they suggest that, as the attention of the Committee and of Parliament has now been drawn to the case, my Lords may see fit to use the power implied, though not explicitly given, by Section 4 of the Appropriation Act, 1887, of giving *ex post facto* sanction to the temporary defrayment of these deficits out of surpluses on other Navy Votes of the year.

4. My Lords agree with the Committee that the end which this Department had in view has been attained, and believe that the comments and injunctions of the Committee, together with the regulations which they are about to lay down in this Minute, will prevent a recurrence of the irregularity, and warrant them in giving the necessary authority to include the two deficits in question in the resolution submitted to the House this Session, sanctioning of the application of surpluses on certain Navy Votes to the defrayment of excesses on other Navy Votes in the year 1887-88.

5. In order to carry out the wishes of the Committee that the conditions imposed by the annual Appropriation Act, and the procedure prescribed by decisions of the House and its Committees may be more strictly complied with in future, my Lords proceed to lay down the following regulations for the guidance of the War Department as well as of the Admiralty, which they think will meet all the different cases of excess that are likely to occur upon Army or Navy Votes.

6. Excesses on votes (*a*) may be caused by an addition to establishments, or some new work, or an extension of programme, or some totally new service, the necessity for which only becomes evident after the estimates for the year have been closed, and which would require Treasury sanction as a new expenditure, whether causing an excess or not; or (*b*) they may be caused by an under estimate of the cost of current services, or an over estimate of current appropriations in aid in the year, such as, but for its causing an excess, would not need special submission to the Treasury; or (*c*) they may be incurred, deliberately, at the end of the year, because, amongst other votes there are savings on other votes available to meet them. These three classes of excesses require somewhat different treatment.

I.—*Excesses arising from unexpected Increases or New Services.*

7. As soon as the spending department is satisfied that the new expenditure cannot, without detriment to the public interests, be postponed until Parliament has provided for it in the usual manner, that Department should submit the same in writing to the Treasury with a full description of the circumstances which render it necessary. The Treasury will then decide whether, apart from any question of adequacy of savings, the nature of the expenditure is such as to require, for constitutional or other reasons, that Parliament should be consulted before the expense is incurred. Supposing the Treasury to decide that the expense may be incurred without the previous submission of an Estimate to the House, the method of procedure will depend in part on the period of the year.

8. If the Vote to which the expenditure is chargeable has not yet been taken, the Minister who will have charge of it when taken in Committee of Supply should at once lay upon the Table of the House a statement of the additional expenditure sanctioned by the Treasury, explaining that it is proposed to defray it out of savings on other Army or Navy Votes if possible, in which case a Minute will be presented to the House before the close of the financial year, specifying the exact savings that are to be employed for the purpose, but that, should the means of defrayment prove impossible, a Supplementary Estimate will be presented for it.

9. If the Vote to which the expenditure is chargeable has been already taken, no opportunity is likely to occur of informing the House of it until the time arrives for presenting either a Supplementary Estimate or an Estimate in accordance with the Resolution of 4th March 1879; and meanwhile the expenditure may be incurred if the Treasury approves.

II.—*Excesses caused by an under estimate of Expenditure or over estimate of Appropriations in Aid.*

10. These have very commonly been submitted for *ex post facto* sanction only, after the close of the year. My Lords agree with the Committee that, by the exercise of care and foresight, they might be in a considerable degree removed from the category of unforeseen excesses. With this view my Lords request that, not later than the 1st February in each year, a careful review may be made of the progress of expenditure out of each Army

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Vote, and as accurate a forecast made as possible of the surpluses and deficits that will be shown by the account of the year. The probable deficits should then be reported to this Department, not later than the 7th March, with full explanations of their causes, and the savings probably available for meeting them should be also stated and as fully explained. Care should be taken at the same time to compare the probable out-turn of Appropriations-in-Aid with the Estimate, in order, not merely that any deficit may be allowed for, but that any net excess in the total of such receipts may be abated from the surpluses of Exchequer Grants available for meeting excesses of expenditure in the manner shown in Treasury Minute of 14th March last (Sessional Paper 78 of 1889).

11. My Lords, if satisfied with the explanation given, will then cause the requisite Minutes to be prepared and presented to the House, authorising the temporary defrayment of excesses out of savings.

12. The Printing Committee of the House will doubtless take note of the opinion expressed by the Public Accounts Committee, in agreement with that of the Army Estimates Committee, 1888, that these Minutes should be "printed and circulated."

III.—*Excesses incurred because Savings are at hand to meet them.*

13. This class of excesses is viewed by the Comptroller and Auditor General, the Public Accounts Committee, and the House of Commons with considerable jealousy. In their present Report the Committee allude to the inclination of a department to find some object on which to expend voted money rather than surrender it to the Exchequer; and the Comptroller and Auditor General states in his Report, with regard to certain surpluses employed in aid of purchase votes, that instead of being so used they ought to have increased the sinking fund for the reduction of the National Debt. He further says that no public department having larger funds at its disposal for one vote than are requisite for the service of the year has any right to spend the surplus on another vote, even for the purpose of effecting a saving in the succeeding year, except under the conditions laid down in the Appropriation Act.

14. My Lords agree with the Committee and the Comptroller and Auditor General that, before any excess of the character now under consideration is incurred, it is essential to observe the statutory condition of submission to the Treasury, in due time, with proof that some definite public detriment will ensue if the excess be not incurred.

15. Circumstances may arise in which the fact that savings have accrued on one vote may appear to the spending department to be a justification for proposing to incur, with Treasury sanction, an excess upon another vote. For instance, a vote for contract services may show a large saving through the failure of contractors to keep their engagements, and this failure may throw an unexpected charge on the succeeding year for which it is too late to provide in the estimates of that year. If an equivalent excess be incurred in the expiring year on a vote for non-contract services, the charge for those services in the succeeding year may possibly be so far lightened as to counterbalance the additional charge thrown upon that year for contract services; and an adjustment of burthens of this kind may be pleaded to be expedient in the public interest as well as substantially consonant with the intention of Parliament. Again, the condition of the market, or of stocks in hand, may be such as to make purchases, out of any funds available, so highly desirable at a particular moment that postponement would entail a distinct public detriment.

16. But it must be remembered, in the cases supposed, that Parliament has committed the duty of determining whether an excess is justifiable, not to the spending department alone, but to the spending department in concert with the Treasury, and that the former department is bound to consult the Treasury in good time, *i.e.*, early in March, if not before, so as to give this Board an effective voice in determining whether the excess is to be incurred or not, and how it is to be met.

17. Whilst my Lords hold that cases of the foregoing description afford fair matter for consideration, they are of opinion that the occurrence of them should be rare, and that very clear evidence of public expediency should be required by this Department before sanction is given.

18. My Lords feel assured that, if the foregoing regulations are observed, no difficulty will be found in complying with the conditions laid down by the Appropriation Act, and that the automatic excesses requiring *ex post facto* sanction when the Appropriation Account is made up, will be reduced to a minimum.

19. The Comptroller and Auditor General remarks in his Report that the Treasury practice regarding these automatic excesses does not appear to be warranted by the annual Appropriation Act; but my Lords are glad to see that the Committee do not recommend either an alteration of that practice or an amendment of the Act. An unforeseen excess discovered after the event is rightly submitted to this Department for my Lords' judgment upon it, and for that temporary covering sanction which is necessary for the guidance of the Comptroller and Auditor General and the Public Accounts Committee in dealing with the Appropriation Accounts, and for ultimately including the excess in the Resolution submitted to the House. Although, when once the money is spent, the opportunity of antecedent financial control has passed, yet the Treasury can still exercise its function as the department generally responsible for financial order, and can determine whether or no Parliament ought to be asked to give its final sanction to the defrayment of the excess out of savings.

20. My Lords would add, in conclusion, that the dates prescribed in the 10th paragraph of this Minute must not be regarded as relieving the spending departments from the obligation, pointedly referred to by the Committee, of informing "the Treasury at the earliest possible date of any probable excess on a Vote."

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APPENDIX, No. 7.

PAPER handed in by Mr. *E. W. Hamilton*, C.B., 26th February 1890.

TREASURY LETTERS ON THIRD REPORT OF PUBLIC ACCOUNTS COMMITTEE, 1889.

Write to the Secretary to the Admiralty.

(10205—89.)

Sir, 25 September 1889.

THE Lords Commissioners of Her Majesty's Treasury direct me to transmit to you the enclosed copy of the Third Report of the Public Accounts Committee of this Session, and of a Minute of this Board, dated the 20th ultimo, which deals with the first part of that Report, relating to excesses on Navy Votes.

My Lords trust that the Lords Commissioners of the Admiralty will cause the regulations contained in that Minute to be carefully observed by their officers.

They will now make some remarks upon the other portions of the Report.

Advances to Contractors.

The Comptroller and Auditor General calls attention to six different cases of such advances which appear to him, for one reason or another, irregular, and which are brought together in the following table :—

—	Advance.	From what Source.	To whom.	Nature.	Result.
	£.				
1.	19,600	Vote 10, I., Sub-Head A.	Contractors for timber.	Payment in 1887-8 for timber delivered in that year, but ordered for the following year.	Excess on both Sub-Head and Vote.
2.	61,730	Vote 10, I., Sub Head B.	Contractors for armour plates.	No information as to whether in part of authorised programme or not.	Excess on both Sub-Head and Vote.
3.	20,000	Vote 10, II., Sub-Head A.	Contractors for machinery.	Payment in 1887-8 for machinery provided for in the Estimates of 1888-9, made to counterbalance an equal payment for hulls provided for in the Estimates of 1887-8, but which could not be made until 1888-9.	Excess on Sub-Head, but not on Vote.
4.	5,000	Vote 10, II., Sub-Head B.	Contractors for H.M.S. "Benbow."	A payment not specifically provided for in Appendix to the Estimates.	No excess on either Sub-Head or Vote.
5.	1,500	Vote 11. Part I., Sub-Head C.	Contractors for repairs, Portsmouth.	Advance in anticipation of a detailed account and vouchers on strength of a certificate by an officer of the Works Department that work to more than the value had been done.	No excess on either Sub-Head, Part, or Vote.
6.	12,000	Vote 11, Part II., Sub-Head A.	Contractors for new machinery.	No information as to whether in part of authorised programme or not.	No excess on either Sub-Head, Part, or Vote.

The first three of these advances ought not to have been made without Treasury sanction, because they involved excesses on a Sub-Head, if not upon a Vote also. The third case only was submitted to this Department, but not at the proper time, nor with sufficient explanation to justify my Lords in sanctioning it. The fourth, fifth, and sixth cases involved no excess, and if not actually inconsistent with the terms of the contracts, and if they had been genuinely earned by the contractors, required no special Treasury sanction.

My Lords think it inexpedient that the Board of Admiralty should be precluded from paying for goods completed and held at their disposal by contractors, even if not actually delivered, or for portions of work certified by a competent officer to have been finished, provided no excess be caused by the payment, and no violation of the terms of a contract be involved. A contractor may not be in a position to legally enforce a payment, and yet the payment may not be inconsistent with his contract.

It is advisable so to word a contract as to admit of earlier payment for earlier work, without enabling the contractor to enforce such payment. No doubt the power of advancing may be abused, and its exercise is properly watched by the Comptroller and Auditor General; but it is to the public advantage that money voted for a particular purpose, and actually earned in the fulfilment of that purpose, should be paid away for that purpose, instead of being surrendered to the Exchequer.

My Lords agree with the Committee that every information should be given to the Comptroller and Auditor General that he may require to enable him to judge whether advances are according to rule; but they venture to think that the Committee are somewhat too strict in holding that all advances "not claimable under contract are "irregular in themselves, and are only made to avoid the surrender of a surplus to the Exchequer." Although the payment may be made at an earlier date than is named in the contract, it may be quite regular, and may have been fairly earned.

But whenever the proposed advance will cause an excess, either on a Sub-Head or a Vote, or is irreconcileable with the terms of a contract, or involves the bringing into charge in the expiring year a service for which provision has been deliberately made in the Estimates of the succeeding year, previous Treasury sanction should invariably be sought.

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Admiralty Minor Establishment.

My Lords believe that all the cases of excess have now received their covering sanction. In a previous letter they suggested that such excesses might be made less likely if the method of providing for copyists in the Admiralty Departments were assimilated to that employed in War Office Estimate (a point which might be usefully considered by the Committee on Army and Navy Estimates, the appointment of which was recommended in the Third Report of the Public Accounts Committee, 1888).

Loss under a Contract for Coals.

The moral to be drawn from this case is, that when a peculiar clause is introduced into a contract involving an extra charge in a certain event, care should be taken to explain its effect to the commanding officer concerned, and to instruct him as to the course he should pursue, when there is a prospect of that event occurring.

Excess Payment for General Average.

My Lords hope that the new forms calculated to prevent the recurrence of such payments have now been introduced.

Sale of Ships.

The remarks made by the Committee on this subject deserve careful consideration by the Board of Admiralty.

Payments to Contractors for Steam Machinery.

My Lords do not understand why these payments should not be spread throughout the year as evenly as pay ments for ships building.

Payments for Gun-mountings.

The Comptroller and Auditor General reports the annually recurring difficulty of tracing the receipt by the Admiralty of the gun-mountings paid for from Navy Votes, whether obtained from the Ordnance Factories or from contractors.

My Lords think it desirable that each Navy Appropriation Account should be accompanied by a statement showing all gun-mountings in course of manufacture, in respect of which advances have been made, but which have not been cleared by final payment and delivery up to the 31st March, on the pattern of that shown in pp. 188–9 of the Account for 1887–8.

They also hope the delivery of each gun-mounting, or part thereof, may be recorded punctually and in such a manner as can be easily tested by the Comptroller and Auditor General.

I am, &c.

Write to the Financial Secretary, War Office.

Sir,

The Lords Commissioners of Her Majesty's Treasury direct me to enclose, for the information of the Secretary of State for War, a copy of the Third Report of the Public Accounts Committee of this Session, and a copy of a Treasury Minute of the 20th ultimo, respecting excesses on Naval and Military Votes, and they trust that Mr. Secretary Stanhope will cause the regulations contained in that Minute to be strictly observed by the officers of his Department, bearing in mind the opinion expressed by the Public Accounts Committee on the subject.

I am, &c.

Write to the Comptroller and Auditor General.

Sir,

The Lords Commissioners of Her Majesty's Treasury direct me to enclose, for your information, a copy of their Minute of the 20th ultimo, respecting excesses on Naval and Military Votes, as well as a copy of their letter of the 25th instant, communicating it, and the Third Report of the Public Accounts Committee, 1889, to the Admiralty.

A copy of the Minute has also been sent to the War Office for their guidance.

I am, &c.

Write to the Librarian of the House of Commons.

Sir,

The Lords Commissioners of Her Majesty's Treasury will be much obliged if, in your capacity of Secretary to the Printing Committee of the House of Commons, you will be so good as to submit to the Committee the enclosed copy of paragraph 7 of the Third Report of the Public Accounts Committee, 1889, and paragraph 12 of the Treasury Minute thereon, dated 20th August 1889, with regard to the printing and circulation of Minutes presented to the House in accordance with the Resolution of the 4th March 1879.

I am, &c.

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APPENDIX, No. 8.

PAPER handed in by Mr. *E. W. Hamilton*, C.B., 26th February 1890.

TREASURY MINUTE on FOURTH REPORT of the PUBLIC ACCOUNTS COMMITTEE, 1889, so far as it relates to ARMY and NAVY ACCOUNTS.

(14,763—89.)

11 December 1889.

MY Lords read paragraphs 1 to 30 of the Fourth Report of the Committee of Public Accounts, 1889, relating to certain Army and Navy Accounts for the year ended 31st March 1888, and direct that the following letters should be written thereon.

I.—WRITE TO THE FINANCIAL SECRETARY, WAR OFFICE.

Sir,

Copy. The Lords Commissioners of Her Majesty's Treasury request that you will submit to Mr. Secretary Stanhope the enclosed copy of paragraphs 1 to 14 of the Fourth Report of the Public Accounts Committee, 1889, relating to the Army Appropriation Account, and Army Store Accounts, for 1887–8, together with the remarks of my Lords upon such points as seem to require notice.

ARMY APPROPRIATION ACCOUNT.

¶ 1. *Surplus on Vote 12 for Warlike Stores.*

The Committee remark upon the large surplus shown on this Vote, in 1887-8, the last year in which it has provided for Sea as well as Land Armaments. Ordinarily, Vote 12 has shown a deficit, even when a Supplementary Estimate has been taken for it. The Appropriation Accounts give no other example of a surplus since 1875-6, when there was a small one; and after the allotted parts of Votes of Credit have been added to Vote 12 (as in the Return appended to the Fifth Report of the Committee on Army and Navy Estimates, 1887, pp. 158-60), it will still be found that a deficit has been the rule.

Looking to these circumstances, and to the change made in the constitution of the Vote last year, my Lords think that no inference as regards the future can be safely drawn from the surplus in 1887-8. It was mainly due to difficulties in carrying out orders for novel projectiles, and quick-firing ammunition for the Navy, and to delay in settling the pattern of the new rifle,—causes of disturbance which will, it may be hoped, be removed by further experience.

¶ 2. *Stores supplied to Egyptian Troops at Suakim.*

The Secretary of State will see that the Committee agree with my Lords that notice of this expense ought to have been given to the Treasury when the Imperial contribution towards the military expenses of the Egyptian Government in 1886-7 was under discussion.

¶ 3. *Payments by India for Home Effective Charges.*

13,876—89. My Lords have received a further Report from Lord Northbrook's Committee, dated the 22nd July last, recommending the net amounts to be claimed from India for 1885-6 and 1886-7, respectively. The question of a permanent basis for the calculation of future claims has, however, still to be considered.

¶ 4. *Indian Non-effective Charges.*

My Lords would inquire whether these charges have yet been settled for 1887-8.

¶ 5. *Interpretation of Royal Warrants.*

This part of the Report deserves careful attention. The Committee recognise the fact that the Secretary of State has been appointed by Her Majesty to be "the sole Administrator and Interpreter" of Army Warrants, and the importance of maintaining his interpretation as final; but they state that his interpretation ought to be subject—

(1) to the conditions which have been, from time to time, defined by the Public Accounts Committee;

(2) to the financial control of the Treasury;

(3) to the statutory powers of the Comptroller and Auditor-General.

The conditions to which the Committee refer as properly governing the Secretary of State in interpreting a Royal Warrant are evidently those laid down by the Committee in paragraphs 90 and 91 of their Report, 1882; 141 of their Second Report, 1884; 68 of their Second Report, 1886, and 92 of their Report, 1887, which may be summarised thus: that the plain and natural sense of the Warrant is to be followed, unless Treasury concurrence has been obtained in a deviation from it, and that it is better to remove an ambiguity by a specific amendment of the Warrant than by a strained interpretation of it.

As regards the financial control of the Treasury, the Committee recommend, as a means of ensuring its due effect, that the Secretary of State should consult the Treasury before giving his formal decision in all cases of financial importance, or where a material increase of expenditure would result from the proposed interpretation.

With respect to the statutory powers of the Comptroller and Auditor General, the Committee think it unnecessary to add to what has been laid down in paragraphs 100 of their First Report, 1877, and 72 of their Second Report, 1883.

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My Lords think that the views expressed by the Committee support the position they have themselves taken that it is competent to the Treasury to form their own opinion upon the meaning of relevant provisions of the Pay Warrant whenever the Secretary of State applies to them for concurrence in a proposed action under, or deviation from, or amendment of, the Warrant, and whenever the Comptroller and Auditor General appeals to them regarding an interpretation by the Secretary of State which seems inconsistent with the plain meaning of the Warrant, or with the decisions of previous Secretaries of State. The Treasury have naturally approached the subject from the starting point of their own rights, whilst the Committee regard it from that of the duties of the Secretary of State. From the latter point of view, my Lords agree with the Committee in not asking the Secretary of State to refer trifling questions of interpretation to this department before giving and acting upon his own formal decision. A question, however, which at first sight appears trivial, may become serious if it gives rise to controversy between the War Department and the Comptroller and Auditor General, or may be found to involve an important principle as its bearings become more fully known; and at this later stage, if my Lords rightly understand the Committee, they would agree that appeal may properly be made to the Treasury, by either the Secretary of State or the Comptroller and Auditor General.

Turning to the particular cases which were under the notice of the Committee, my Lords will examine how their recommendations apply to them.

(*a.*) *Pay of Chief Paymaster in Egypt.*

In this case the Secretary of State seems to have held that, because Article 362 of the Pay Warrant, 1884, assigns to a Chief Paymaster of five years' service 32 *s.* 6 *d.* a day, and Article 123 gives the honorary rank of colonel to a Chief Paymaster of that service, it would be enough for the Secretary of State to grant that honorary rank to a Chief Paymaster of less than five years' service in order to entitle him at once to 32 *s.* 6 *d.* a day. He apparently reads the Warrant as attaching the rate of pay to the honorary rank, not to the service, and, if my Lords are not mistaken, he holds, moreover, that Article 407 of the Pay Warrant, which permits officers with acting rank to receive the minimum pay of such rank, applies to the particular case in question. My Lords agree with the Comptroller and Auditor General that the above reading of the Warrant is contrary to its plain and natural sense, and therefore hold that the interpretation adopted by the Secretary of State did not conform to the "conditions which have been from time to time defined by the Public Accounts Committee." If the Secretary of State was not in sufficient doubt, before adopting it, to lead him to refer the point to the Treasury, my Lords venture to think that he should have done so when the Comptroller and Auditor General disputed it. Q. 1708.

(*b.*) *Militia Quartermasters' Retired Pay.*

Paragraph 112 of the Militia Regulations prescribed by Royal Warrant of 10th July 1886, is in the following terms:—"Quartermasters of Militia especially appointed for a period of five years from sergeant majors, or quartermaster-sergeants of the Militia battalions, brigades, or regiments, on or after the 1st April 1877, will, on ceasing to hold such appointment, be granted retired pay in respect of their service as quartermasters *at the rate prescribed by Article 952 of the Royal Warrant relating to Pay, &c. (Army Regulations, Vol. I., Part 2), for the half-pay of Quartermasters of the Regular Forces*, but they will not be entitled to receive in addition any pension on account of former Army Service."

Article 952, above mentioned, is that of the Pay Warrant, 1884, and gives a maximum of 7 *s.* 6 *d.* a day, which is still the maximum half-pay of Quartermasters of the Regular Forces. Art. 1042. of Warrant. 1887.

Certain retired Militia Quartermasters of the class contemplated in paragraph 112, who had been given that maximum at first, were subsequently given retired pay of 10 *s.* a day, under Article 1,060 of the Pay Warrant, 1887, which relates, not to the half pay, but to the retired pay of Quartermasters of the Regular Forces, and, so far as my Lords are aware, has never been made applicable to Militia Quartermasters, of the particular kind in question, by any Royal Warrant.

When the Comptroller and Auditor General objected to the increased grant, the Secretary of State stood upon his rights as "sole interpreter," holding that the intention of paragraph 112 of the Militia Regulations was to apply to these Militia Quartermasters whatever provisions might be in force for the *retired pay* of Quartermasters *of the* Regular Forces at the time of the officer's retirement. But if this was the intention of the paragraph it is singular, not merely that it in no way expresses it, but that it mentions Article 952 of the Pay Warrant, 1884, relating to half pay, not Article 973, relating to retired pay. *See* Appendix K. to Report of Comptroller and Auditor General on Army Appropriation Accounts, 1887–88.

The Accountant General of the Army informed the Committee that much Parliamentary influence had been brought to bear upon the War Department in favour of these Militia Quartermasters, and that the Treasury Solicitor, to whom the case was referred, had reported that, as a matter of legal interpretation, the Quartermasters were entitled to the benefit of the later Warrant. Q. 1876.

My Lords have caused the papers which were referred to the solicitor, and his opinion, to be examined, and they cannot find that the particular point raised by the Comptroller and Auditor General was ever submitted to, or noticed by, the solicitor. The claim of the Quartermasters gave rise to prolonged discussion, but the power of the Secretary of State to give them the benefit of the provisions of the Warrant of 3rd November 1886, afterwards embodied in Article 1,060 of the Warrant of 1887, seems to have been assumed from the outset, provided they had fulfilled the requisite conditions of service. The controversy, therefore, turned on whether those conditions had been fulfilled, and on the equity of the claim, not on the power of the Secretary of State to ascribe a meaning to paragraph 112, which could scarcely suggest itself to an ordinary reader.

My Lords cannot but think that, if the Secretary of State had borne in mind the condemnation passed by the Committee upon a strained interpretation of a Warrant, he would have proposed to the Treasury either an alteration of paragraph 112 or a recourse to the Dispensing Warrant.

They would also draw attention to the words of the Warrant of 10th July 1886, prescribing the Militia Regulations, which withhold from the Secretary of State any power of varying the regulations in matters affecting the rates or quantities therein laid down. It seems to my Lords that, by the forced reading he has placed on paragraph 112, he has increased the rates of retired pay therein laid down for certain Militia Quartermasters, and they agree with the Comptroller and Auditor General that this increase "should not have been regarded as within the province of the Secretary of State."

(*c.*) *Increase of Permanent Disability Pensions by Good Conduct Pay.*

My Lords need not add to what has been said in their letter of the 31st March 1888 upon this case, regarding their own inherent right of interpretation so far as may be requisite for the exercise of their own authority. But with respect to the application of the recommendations of the Committee, my Lords would observe that the case seems to be one of those the financial importance of which cannot be measured by the amount of money in question at the moment, and on which the Committee would wish that the Secretary of State should consult the Treasury before determining to reverse a long continued practice and the decisions of a series of predecessors. 4026—88.

¶ 6.—*Yeomanry Cavalry Regulations.*

The question raised here was whether the Secretary of State has unlimited discretion to alter details in the Yeomanry Regulations, without Treasury concurrence, so long as they do not affect rates of pay or allowances approved by the Treasury; and the Committee support the contention of this Department that all modifications

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tending in any material degree to increase the public expenditure ought to be submitted for previous Treasury concurrence.

My Lords would point out how completely the statement of the Comptroller and Auditor General "that Treasury control over rates and pay and allowances would be seriously impaired if these rates may be granted on less
18,838—8. stringent conditions than those brought before their Lordships when approving such rates," agrees with the argument of their letter of 31st August 1889, respecting the draft warrant by means of which the Secretary of State proposed to take power to alter conditions apart from rates.

¶ 7. *Wages of Managers and Assistant Managers in the Manufacturing Establishments.*

16,889 -88. My Lords are still waiting for a reply to their letter of 27th October 1888, in which they proposed that these officers should be regarded as belonging to the "Intermediate Class" between salaried and wage-paid men, for whom a scale and definite number should be fixed in consultation with the Treasury. The Committee would appear to consider this proposal reasonable.

¶ 8-9. *Imperial Contribution towards Defences at Aden.*

The force of the Committee's recommendation that the instalments of this contribution should only be paid upon statements of actual expenditure under specified heads, does not seem to my Lords to be materially weakened
4211—88. by the fact that, under the decision conveyed in their letter of 21st August 1889, the contribution is to be limited to a specific sum instead of being one-half the total cost.

¶ 10. *Rewards to Inventors.*

The Committee recommend that future Appropriation Accounts should include a statement of the different rewards actually paid. My Lords may observe, in support of this suggestion, that such a statement is given in the Navy Appropriation Account, as regards a corresponding Sub-head for Gratuities, in the Navy Vote for Miscellaneous Effective Services.

¶11. *As to combining the Rates of one Warrant with the Conditions attached by another Warrant to different Rates.*

My Lords are glad to record that the Secretary of State is in agreement with this Department as to the impropriety of such a combination, unless the terms of the warrants show that it is intended. When the Committee say that, "unless one warrant purports expressly to amend the other, they cannot be read together so as to increase the amount of a payment which one warrant, read alone, would authorise," my Lords think they intended, not so much to lay down a literal rule, as to express their concurrence in the view taken by this Department, that conditions of payment are indissoluble, *primâ facie*, from the rates of payments to which they are attached, a view intimately connected with my Lords' comments on ¶ 6.

ARMY STORE ACCOUNTS.

¶12. *Date of rendering Ordnance Store Accounts.*

My Lords hope that the expectation entertained by the Committee that these Accounts will be rendered to the
Appendix to Third Report, 1889, p. 55. Comptroller and Auditor General with less delay in future may be realised. In their letter to the War Office of 10th January last, my Lords suggested that an interval of nine months ought to suffice between the closing date of the account and the date of rendering it; but, if the accounts are rendered half-yearly, my Lords agree with the Comptroller and Auditor General that the interval in question need not exceed six months.

¶ 13. *Record of Condition of Stores.*

The Secretary of State will not fail to note the remark of the Committee on this subject. If my Lords correctly understand the matter, the distinction between serviceable and unserviceable stores is already made distinctly enough in the Accounts, but now and then the fact that certain stores have ceased to be serviceable remains for some time undiscovered, and therefore is for that time not noted in the Accounts. The defect, if any, lies in the method of inspection, not in the Accounts.

¶ 14. *Sale of Stores otherwise than by Auction or Public Tender.*

My Lords would inquire whether any regulations have yet been made regarding such sales, in accordance with the suggestion of the Committee, and would be glad to see a copy of them in draft.

ARMY MANUFACTURING ACCOUNTS.

Copy. I am directed by their Lordships, at the same time, to enclose a copy of the 25th paragraph of the Fourth
52 & 53 Vict. c. 31. Report, in which the Public Accounts Committee express their satisfaction at Parliament having made legislative provision, this Session, for the preparation, rendering, and audit of the Manufacturing Accounts of the Army, which have never yet been examined or reported upon by the Comptroller and Auditor General.

Appendix to Fourth Report, p. 134. My Lords understand that the Accounts for 1888-9 are about to be subjected to a test examination by that officer.

I am, &c.

II.—WRITE TO THE SECRETARY TO THE ADMIRALTY.

Sir,

Copy. I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you, for the information of the Lords Commissioners of the Admiralty, the enclosed copy of paragraphs 15 to 30 of the Fourth Report of the Committee of Public Accounts, 1889, relating to the Store Accounts, and the Expense and Manufacturing Accounts of the Navy for 1887-8.

My Lords have dealt with the Third Report of the Committee in their Minute of the 20th August last, and their ter (10,205) of the 25th September (the latter including reference to the Appropriation Accounts of 1887-88); they have adverted to the Second Report in their letter (7297) of the 6th May last.

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NAVY STORE ACCOUNTS.

¶ 15. *Messrs. Waterhouse and Mills' Report of 27th May* 1889.

Appendix to Fourth Report, p. 142.

My Lords have received replies, dated 14th ultimo and 2nd instant, to their letter of the 2nd July last, in which they requested the remarks of the Board of Admiralty on certain suggestions made in this Report.

In a letter of the 3rd instant, they sanctioned the introduction, experimentally, and for a limited period, of an arrangement which, it is hoped, will supply an effective check on the allocation to the various shipbuilding and repair accounts of the cost of labour paid by task and job, or for piecework by tonnage. 9449—89. 17,896—89.

A separate letter will shortly be addressed to you, regarding the occasional visits of officers from the Department of the Director of Stores in London, for the purpose of testing stocks of particular articles in the Yards (again referred to under ¶ 21). 18,813—89.

¶ 16. *Check of the Storekeeper upon demands for Stores by Captains.*

My Lords agree that the responsibility for these demands properly rests with the Captain, and that the inability of the Storekeeper to test "remains" makes it impossible for him to completely check requisitions made upon him for additional stores. But it seems worth considering by the Admiralty whether, without delaying the issue of stores, or impairing the responsibility of the Captain, it might not with advantage be again made the duty of the Storekeeper to draw attention to any arithmetical errors, or other anomalies, which he may observe in the demands (*see also* under ¶ 22). Q. 1160.

¶ 17. *Designation of the same Quantities by Weight, Capacity, or Tale, alternately.*

I am to inquire whether a scale, such as the Committee refer to, has yet been prepared for the conversion of one denomination into another.

¶ 18. *Receipts given on Issue Notes, although no Stores have been delivered.*

My Lords would be glad to learn what are the arrangements which the Admiralty have now made for preventing the recurrence of this irregularity.

¶ 19. *Duplicate Store Ledgers at Foreign Yards.*

With regard to the remarks of the Committee on this subject, my Lords would inquire how far the suggestion in Messrs. Waterhouse and Mills' Report, mentioned above, that such duplicates might, perhaps, be dispensed with, is suitable for Foreign Yards.

Their Lordships are anxious to learn the result of the investigation undertaken by the Admiralty into the accounts of these yards. (*See also* ¶ 29.)

¶ 20. *Excessive Stocks of certain Stores at Malta.*

The Admiralty will no doubt pay due attention to the recommendation of the Committee that the stocks of stores at this station should be carefully reviewed.

¶ 21. *Stocktaking.*

My Lords would refer to the remarks on this subject in their Minute of 15th November 1886, respecting the Audit of Store Accounts; in their letter of 10th January 1889, respecting Navy Store Accounts, and in paragraphs 30-33 of Messrs. Waterhouse and Mills' Report. 17,540—86.

As already intimated under ¶ 15, my Lords will make a separate reply to your letter of the 2nd instant, regarding the arrangements which the Admiralty propose to make for the independent periodical verification of the balances of stock. (*See also* ¶ 26-27.) Appendix to Third Report, p. 55. 18,813—89.

¶ 22. *Surveys of Stock on board Ship.*

Very striking evidence was given to the Committee of the inaccuracy with which these surveys are taken, and of the omission to bring on charge all stores received.

My Lords hope that the responsibility now placed on captains for demands (referred to under ¶ 16) may lead them to pay some personal attention, in future, to surveys.

¶ 23. *Issue of Stores in Bulk.*

Their Lordships would inquire whether rules have yet been framed to meet the cases in which such a mode of issue is permissible.

NAVY EXPENSE AND MANUFACTURING ACCOUNTS.

¶ 24–25. *Legislative Provision for the Audit of these Accounts.*

My Lords record that this has now been made by the Act 52 & 53 Vict. c. 31, in fulfilment of the hope expressed in their Minute of 10th January (not, as stated by the Committee, of 13th March) 1889.

¶ 26–29. *Dockyard Expense and Manufacturing Accounts.*

The questions raised upon these Accounts do not seem to call for remark by my Lords in their present stage.

¶ 30. *Victualling Yard Expense and Manufacturing Accounts.*

I am to ask what steps the Board of Admiralty propose to take for carrying out the recommendation of the Committee, in which my Lords occur, that some accounts of this nature should be annually prepared and rendered to the Comptroller and Auditor General.

I am, &c.

III.—WRITE TO THE COMPTROLLER AND AUDITOR GENERAL.

Sir,

THE Lords Commissioners of Her Majesty's Treasury direct me to transmit to you herewith, for your information, a copy of the letters of even date which they have addressed to the War Department and Admiralty respectively, regarding certain portions of the Fourth Report of the Public Accounts Committee, 1889. Copy of two letters.

I am, &c.

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APPENDIX, No. 9.

PAPER handed in by Mr. *E. W. Hamilton*, C.B., 26 February 1890.

1887-88.

COMPARISON OF EXCHEQUER ISSUES WITH AUDITED EXPENDITURE AND GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS

(After audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons).

Treasury,
26 February 1890.

COMPARISON OF EXCHEQUER ISSUES IN 1887-88 WITH AUDITED EXPENDITURE FOR THAT YEAR.

	Exchequer Issues.	Audited Expenditure.	Exchequer Issues. More than Audited Expenditure.	Exchequer Issues. Less than Audited Expenditure.
	£. s. d.	£ s. d.	£. s. d.	£. s. d.
Consolidated Fund Services -	27,971,995 3 1	27,971,995 3 1	—	—
Army (including Army Purchase Commission) - - - - -	18,167,196 - -	17,614,091 1 11	553,104 18 1	—
Navy - - - - - - -	12,325.357 - -	12.348,894 17 5	- -	23,537 17 5
	30,492,553 - -	29,962,985 19 4	553,104 18 1	23,537 17 5
Civil Services - - - - -	18,210,000 - -	18,109,151 5 9	100,848 14 3	—
Revenue Departments - - -	10,749,096 18 4	10,711,193 17 1	37,903 1 3	—
Total - - - £.	87,423,645 1 5	86,755,326 5 3	691,856 13 7	23,537 17 5
			23,537 17 5	
The Exchequer Issues were more than the Audited Expenditure by - £.			668,318 16 2	

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1887-88.

GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS

(After audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons).

Service.	Grant.	Expenditure.	Expenditure.		Appropriations in Aid Realized.	
			Less than Grant.	More than Grant.	More than Estimate.	Less than Estimate.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Army (including Army Purchase Commission)	18,393,900 - -	17,614,091 1 11	779,808 18 1	—	—	164,476 13 8
Navy	12,476,800 - -	12,348,894 17 5	127,905 2 7	—	—	24,033 17 1
Total, Naval and Military Services £.	30,870,700 - -	29,962,985 19 4	907,714 - 8	—		188,510 10 9
Civil Services:						
Class I.	2,030,354 - -	1,969,945 18 11	60,408 1 1	—	—	—
„ II.	2,478,417 - -	2,415,186 11 9	63,230 8 3	—	—	—
„ III.	6,358,446 - -	6,239,140 14 10	130,068 16 4	10,763 11 2	—	—
„ IV.	5,576,672 - -	5,556,399 18 1	20,479 4 11	207 3 -	—	—
„ V.	624,150 - -	581,247 17 11	42,902 2 1	—	—	—
„ VI.	1,248,116 - -	1,235,267 - 7	12,848 19 5	—	—	—
„ VII.	135,318 - -	111,963 3 8	23,354 16 4	—	—	—
Total, Civil Services £.	18,451,473 - -	18,109,151 5 9	353,292 8 5	10,970 14 2	—	—
Revenue Departments:						
Customs	951,848 - -	932,283 7 11	19,564 12 1	—	—	—
Inland Revenue	1,763,879 - -	1,759,332 19 2	4,546 - 10	—	—	—
Post Office	5,420,770 - -	5,393,060 11 8	27,709 8 4	—	—	—
Post Office Telegraph Service	1,950,248 - -	1,928,344 15 11	21,903 4 1	—	—	—
Post Office Packet Service	699,341 - -	698,172 2 5	1,168 17 7	—	—	—
Total, Revenue Departments £.	10,786,086 - -	10,711,193 17 1	74,892 2 11	—	—	—
Total for Voted Services £.	60,108,259 - -	58,783,331 2 2	1,335,898 12 -	10,970 14 2	—	—
	Estimated Expenditure.		Less than Estimate.	More than Estimate.		
Consolidated Fund:	£. s. d.		£. s. d.	£. s. d.		
Permanent Charge of Debt	26,000,000 - -	26,000,000 - -	—	—	—	—
Interest, &c., not forming part of the Permanent Charge	214,000 - -	213,911 - -	89 - -	—	—	—
Other Charges on the Consolidated Fund	1,714,000 - -	1,758,084 3 1	—	44,084 3 1	—	—
Total of Consolidated Fund Services £.	27,928,000 - -	27,971,995 3 1	89 - -	44,084 3 1	—	—
GRAND TOTAL OF EXPENDITURE £.		86,755,326 5 3				

The amounts written off from Exchequer Grant Accounts and paid to the Exchequer, in respect of Savings on Votes and Appropriations in Aid realised in excess of Estimate, for the Year 1887-88, amount to 1,335,898 *l.* 12 *s.*

	In the Financial Year	
	1888-89.	1889-90.
	£. s. d.	£. s. d.
Written off from Exchequer Grant Accounts out of Ways and Means of 1887-88	296,654 5 5	—
Ditto ditto ditto ditto 1888-89	1,033,720 7 4	—
Ditto ditto ditto ditto 1889-90	- - -	1,899 10 5
Paid into the Exchequer by the Paymaster General	- - -	3,624 8 10
£.	1,330,374 12 9	5,523 19 3
	£. 1,335,898. 12. 0.	

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CIVIL SERVICES, 1887-88.

ABSTRACT STATEMENT showing the APPROPRIATION of GRANTS for the undermentioned CIVIL SERVICES, after audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons, for the Year ended 31st March 1888; and the Amounts of the UNEXPENDED BALANCES or DEFICIENCIES arising upon the same.

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 13, of Session 1889.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS I. PUBLIC WORKS AND BUILDINGS): GREAT BRITAIN:	Page.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1	Royal Palaces	3	35,982 – –	34,041 5 3	1,940 14 9	—
2	Marlborough House	6	2,020 – –	1,664 3 6	355 16 6	—
3	Royal Parks and Pleasure Gardens	8	101,430 – –	101,107 13 –	322 7 –	—
4	Houses of Parliament	12	55,635 – –	50,336 4 1	5,298 15 11	—
5	Gordon Monument	15	2,200 – –	– –	2,200 – –	—
6	Public Buildings	17	142,255 – –	134,809 16 1	7,445 3 11	—
7	New Admiralty and War Office	25	8,500 – –	8,271 18 2	228 1 10	—
8	Furniture of Public Offices	27	16,970 – –	14,647 8 –	2,322 12 –	—
9	Revenue Departments Buildings	29	208,627 – –	183,504 17 3	25,122 2 9	—
10	County Court Buildings	45	29,440 – –	28,913 14 –	526 6 –	—
11	Metropolitan Police Court Buildings	48	6,737 – –	6,357 1 6	379 18 6	—
12	Sheriff Court Houses, Scotland	51	9,070 – –	9,067 6 3	2 13 9	—
13	Surveys of the United Kingdom	54	230,000 – –	229,825 10 11	174 9 1	—
14	Science and Art Department Buildings	60	18,206 – –	17,224 – 9	981 19 3	—
15	British Museum Buildings	65	10,090 – –	9,519 10 11	570 9 1	—
16	Edinburgh University Buildings	69	4,000 – –	4,000 – –	—	—
17	Harbours, &c., under the Board of Trade	70	21,708 – –	18,459 10 2	3,248 9 10	—
18	Peterhead Harbour	72	30,150 – –	29,926 8 10	223 11 2	—
19	Rates on Government Property	74	226,105 – –	225,996 16 –	108 4 –	—
20	Metropolitan Fire Brigade	76	10,000 – –	10,000 – –	—	—
21	Disturnpiked and Main Roads, England and Wales	77	501,500 – –	498,797 5 3	2,702 14 9	—
22	Disturnpiked and other Roads, Scotland	79	70,000 – –	70,000 – –	—	—
	IRELAND:					
23	Public Buildings	81	209,662 – –	204,392 5 6	5,269 14 6	—
24	Royal University Buildings	87	2,230 – –	2,218 18 8	11 1 4	—
25	Science and Art Buildings, Dublin	89	42,000 – –	41,979 3 –	20 17 –	—
	ABROAD:					
26	Lighthouses Abroad	91	11,966 – –	11,494 7 –	471 13 –	—
27	Diplomatic and Consular Buildings	93	23,871 – –	23,390 14 10	480 5 2	—
	TOTAL, CLASS I.	£.	2,030,354 – –	1,969,945 18 11	60,408 1 1	—

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ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1888—*continued.*

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 18, of Session 1889.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS II.					
	SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	ENGLAND:	Page.				
1	House of Lords Offices	105	43,020 – –	42,872 12 7	147 7 5	—
2	House of Commons Offices	108	49,960 – –	48,808 6 8	1,160 13 4	—
3	Treasury	110	59,045 – –	58,040 2 1	1,004 17 11	—
4	Home Office	112	93,947 – –	91,812 4 4	2,134 15 8	—
5	Foreign Office	117	73,063 – –	68,965 9 3	4,097 10 9	—
6	Colonial Office	120	42,005 – –	41,844 19 1	160 – 11	—
7	Privy Council Office	123	46,321 – –	44,844 13 10	1,476 6 2	—
8	Board of Trade	126	108,107 – –	106,955 7 11	1,151 12 1	—
9	Bankruptcy Department of the Board of Trade	130	273 – –	—	273 – –	—
10	Charity Commission	133	38,802 – –	37,948 10 10	853 9 2	—
11	Civil Service Commission	135	40,531 – –	40,521 10 7	9 9 5	—
12	Exchequer and Audit Department	137	53,934 – –	52,216 – 3	1,717 19 9	—
13	Friendly Societies Registry	140	8,227 – –	8,059 18 8	167 1 4	—
14	Land Commission	142	24,797 – –	19,743 18 6	5,053 1 6	—
15	Local Government Board	145	444,241 – –	443,506 18 11	734 1 1	—
16	Lunacy Commission	150	15,227 – –	14,986 18 1	240 1 11	—
17	Mint	152	75,889 – –	75,109 15 9	779 4 3	—
18	National Debt Office	156	14,966 – –	14,671 19 4	294 – 8	—
19	Patent Office	158	55,204 – –	49,933 18 7	5,270 1 5	—
20	Paymaster General's Office	162	26,190 – –	24,815 6 9	1,374 13 3	—
21	Public Works Loan Commission	164	9,577 – –	9,286 16 3	290 3 9	—
22	Record Office	166	21,393 – –	20,653 8 1	739 11 11	—
23	Registrar General's Office	168	47,693 – –	47,021 3 2	671 16 10	—
24	Stationery and Printing	170	556,260 – –	556,145 19 8	114 – 4	—
25	Office of Woods, Forests, and Land Revenues	174	23,761 – –	23,750 8 6	10 11 6	—
26	Office of Works and Public Buildings	178	48,967 – –	48,528 16 9	438 3 3	—
27	Mercantile Marine Fund (Grant-in-Aid)	181	40,000 – –	40,000 – –	—	—
28	Secret Service	189	50,000 – –	29,467 4 1	20,532 15 11	—
	SCOTLAND:					
29	Secretary for Scotland's Office	191	9,143 – –	8,975 11 9	167 8 3	—
30	Exchequer and other Offices	193	6,567 – –	6,311 16 7	255 3 5	—
31	Fishery Board	196	21,925 – –	21,367 – 5	557 19 7	—
32	Lunacy Commission	198	5,982 – –	5,812 10 8	169 9 4	—
33	Registrar General's Office	200	5,895 – –	5,702 9 10	192 10 2	—
34	Board of Supervision	202	29,317 – –	29,225 11 8	91 8 4	—
	IRELAND:					
35	Lord Lieutenant's Household	204	7,478 – –	7,428 12 5	49 7 7	—
36	Chief Secretary's Office, &c.	207	40,967 – –	40,326 12 2	640 7 10	—
37	Charitable Donations and Bequests Office	210	2,045 – –	2,040 16 4	4 3 8	—
38	Local Government Board	212	144,809 – –	136,718 3 9	8,090 16 3	—
39	Public Works Office	220	47,751 – –	46,178 4 8	1,572 15 4	—
40	Record Office	229	5,956 – –	5,674 13 8	281 6 4	—
41	Registrar General's Office	231	16,126 – –	15,872 1 11	253 18 1	—
42	Valuation and Boundary Survey	233	23,047 – –	23,039 17 5	7 2 7	—
	TOTAL, CLASS II.	£.	2,478,417 – –	2,415,186 11 9	63,230 8 3	—

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ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1888 —*continued.*

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 18 of Session 1889.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS III.					
	LAW AND JUSTICE:		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	ENGLAND:	Page.				
1	Law Charges	243	83,681 – –	75,036 15 3	8,644 4 9	—
2	Criminal Prosecutions, &c.	248	159,354 – –	158,733 14 1	620 5 11	—
3	Supreme Court of Judicature	250	410,738 – –	407,958 3 2	2,779 16 10	—
4	Wreck Commission	254	12,680 – –	11,734 3 5	945 16 7	—
5	County Courts	256	448,862 – –	459,288 18 8	—	10,426 18 8
6	Land Registry	259	2,942 – –	2,876 2 4	65 17 8	—
7	Revising Barristers	261	20,370 – –	20,370 – –	—	—
8	Police Courts, London and Sheerness	262	15,689 – –	15,652 15 11	36 4 1	—
9	Metropolitan Police	267	575,620 – –	575,141 1 4	478 18 8	—
10	Special Police	269	37,000 – –	36,923 16 1	76 3 11	—
11	Police, Counties and Boroughs, England and Wales	270	867,586 – –	867,285 16 8	300 3 4	—
12	Prisons, England and the Colonies	272	758,018 – –	701,401 19 2	56,616 – 10	—
13	Reformatory and Industrial Schools, Great Britain	276	281,261 – –	278,715 2 3	2,545 17 9	—
14	Broadmoor Criminal Lunatic Asylum	279	36,549 – –	35,206 5 8	1,342 14 4	—
	SCOTLAND:					
15	Lord Advocate and Criminal Proceedings	284	62,955 – –	58,707 3 9	4,247 16 3	—
16	Courts of Law and Justice	288	65,428 – –	64,632 14 11	795 5 1	—
17	Register House Department	293	37,269 – –	37,264 2 –	4 18 –	—
18	Crofters Commission	296	6,000 – –	5,970 17 –	29 3 –	—
19	Police Counties and Burghs	298	149,937 – –	149,024 7 4	12 12 8	—
20	Prisons	300	108,494 – –	108,361 17 6	132 2 6	—
	IRELAND:					
21	Law Charges and Criminal Prosecutions	308	73,508 – –	72,941 16 9	566 3 3	—
22	Supreme Court of Judicature	311	87,387 – –	86,198 9 3	1,188 10 9	—
23	Court of Bankruptcy	313	10,140 – –	10,019 5 4	120 14 8	—
24	Admiralty Court Registry	315	1,285 – –	1,281 2 8	3 17 4	—
25	Registry of Deeds	316	16,266 – –	16,131 2 8	134 17 4	—
26	Registry of Judgments	318	2,388 – –	2,330 14 11	57 5 1	—
27	Irish Land Commission	321	100,028 – –	72,971 10 5	27,056 9 7	—
28	County Court Officers, &c.	323	107,404 – –	107,740 12 6	—	336 12 6
29	Dublin Metropolitan Police	326	150,000 – –	145,996 7 2	4,003 12 10	—
30	Constabulary	329	1,412,315 – –	1,410,454 8 9	1,860 11 3	—
31	Prisons	332	143,050 – –	130,264 5 3	12,785 14 9	—
32	Reformatory and Industrial Schools	342	107,612 – –	105,054 12 9	2,557 7 3	—
33	Dundrum Criminal Lunatic Asylum	344	6,630 – –	6,570 9 11	59 10 1	—
	TOTAL, CLASS III.	£.	6,358,446 – –	6,239,140 14 10	130,068 16 4	10,763 11 2

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ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1888—*continued.*

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 18. of Session 1888.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS IV.					
	EDUCATION, SCIENCE AND ART:		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	ENGLAND:	Page				
1	Public Education, England and Wales	355	3,458,807 – –	3,458,325 11 2	481 8 10	—
2	Science and Art Department	360	438,558 – –	430,194 9 2	8,363 10 10	—
3	British Museum	371	147,385 – –	144,091 18 4	3,293 1 8	—
4	National Gallery	374	9,584 – –	9,564 9 1	19 10 11	—
5	National Portrait Gallery	376	1,916 – –	1,911 3 3	4 16 9	—
6	Learned Societies and Scientific Investigation	378	23,900 – –	23,900 – –	—	—
7	London University	381	13,451 – –	13,426 14 4	24 5 8	—
8	University Colleges, Wales	384	12,000 – –	12,000 – –	—	—
9	Victoria University	385	2,000 – –	2,000 – –	—	—
10	Deep Sea Exploring Expedition (Report)	386	2,987 – –	2,837 14 –	149 6 –	—
	SCOTLAND:					
11	Public Education	388	553,392 – –	552,945 8 10	446 11 2	—
12	Universities, &c.	393	19,018 – –	18,756 – 10	261 19 2	—
13	National Gallery	396	2,100 – –	2,100 – –	—	—
	IRELAND:					
14	Public Education	397	874,051 – –	866,778 6 9	7,272 13 3	—
15	Teachers' Pension Office	415	2,015 – –	1,963 15 9	51 4 3	—
16	Endowed Schools Commissioners	418	720 – –	630 10 7	89 9 5	—
17	National Gallery	420	2,501 – –	2,480 – –	21 – –	—
18	Queen's Colleges	422	10,028 – –	10,235 3 –	—	207 3 –
19	Royal Irish Academy	429	2,259 – –	2,258 13 –	– 7 –	—
	TOTAL, CLASS IV.	£.	5,576,672 – –	5,556,399 18 1	20,479 4 11	207 3 –
	CLASS V.					
	FOREIGN AND COLONIAL SERVICES:					
1	Diplomatic Services	435	241,024 – –	239,939 17 3	1,084 2 9	—
2	Consular Services	442	184,125 – –	160,761 – 7	23,363 19 5	—
3	Slave Trade Services	462	16,400 – –	14,369 3 8	2,030 16 4	—
4	Suez Canal (British Directors)	464	2,405 – –	2,359 15 4	45 4 8	—
5	Grants in Aid of Expenditure in certain Colonies	466	26,716 – –	25,708 18 2	1,007 1 10	—
6	South Africa and St. Helena	480	86,180 – –	72,193 12 8	13,986 7 4	—
7	Subsidies to Telegraph Companies	489	49,300 – –	47,915 10 3	1,384 9 9	—
8	Cyprus, Grant in Aid	491	18,000 – –	18,000 – –	—	—
	TOTAL, CLASS V.	£.	624,150 – –	581,247 17 11	42,902 2 1	—

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ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1888—*continued.*

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 18, of Session 1889.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS VI.		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	NON-EFFECTIVE AND CHARITABLE SERVICES:					
		Page				
1	Superannuations and Retired Allowances	503	476,082 – –	470,969 14 6	5,112 5 6	—
2	Merchant Seamen's Fund, Pensions, &c.	513	17,800 – –	16,677 16 4	1,122 3 8	—
3	Pauper Lunatics, England	515	490,000 – –	485,168 12 1	4,831 7 11	—
4	Pauper Lunatics, Scotland	516	89,500 – –	88,258 3 5	1,241 16 7	—
5	Pauper Lunatics, Ireland	516	101,800 – –	101,800 – –	—	—
6	Hospitals and Infirmaries, Ireland	520	16,656 – –	16,656 5 11	1 14 1	—
7	Savings Banks and Friendly Societies Deficiency	522	51,259 – –	50,902 19 8	356 – 4	—
8	Miscellaneous Charitable and other Allowances, Great Britain	524	2,482 – –	2,341 – 4	140 19 8	—
9	Miscellaneous Charitable and other Allowances, Ireland	526	2,535 – –	2,492 8 4	42 11 8	—
	TOTAL, CLASS VI.	£.	1,248,116 – –	1,235,267 – 7	12,848 19 5	—
	CLASS VII.					
	MISCELLANEOUS:					
1	Temporary Commissions	533	44,555 – –	43,370 4 6	1,184 15 6	—
2	Miscellaneous Expenses	542	15,044 – –	15,010 13 6	33 6 6	—
3	Adelaide Exhibition, 1887	545	2,650 – –	2,650 – –	—	—
4	Celebration of the Jubilee of Her Majesty's Reign	546	17,000 – –	16,089 7 3	910 12 9	—
5	Repayments to the Civil Contingencies Fund	549	6,069 – –	6,068 11 1	– 8 11	—
6	Public Works and Industries, Ireland	550	50,000 – –	28,774 7 4	21,225 12 8	—
	TOTAL, CLASS VII.	£.	135,318 – –	111,963 3 8	23,354 16 4	—

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FIRST

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS:

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
26 *February* 1890.

[*Price* 5 *d.*]

71. *Under* 6 *oz.*

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SECOND REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
30 *April* 1890.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

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Committee of Public Accounts.

Committee nominated,—[*Thursday, 13th February* 1890]—of—

Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Sir Walter Barttelot.
Mr. Salt.
Mr. Barran.
Sir Richard Temple.
Mr. Jackson.
Mr. Lane.
Mr. Sydney Buxton.
Mr. Arthur O'Connor.
Mr. Wodehouse.

Ordered, That the Committee have power to send for Persons, Papers, and Records.

Ordered,—[*Friday, 14th February* 1890]:—That the Committee on Public Accounts do consist of Twelve Members.

That Mr. Donald Crawford be added to the Committee.

Ordered,—[*Tuesday, 25th February* 1890]:—That the Report of the Select Committee on Estimates Procedure (Grants of Supply), of Session 1888, be referred to the Committee of Public Accounts.

Ordered,—[*Thursday, 27th February* 1890]:—That the Statement laid before the House, showing Arrangement of Votes in the Estimates for 1890–91, as compared with that in the Estimates for 1889–90, be referred to the Committee of Public Accounts.

Ordered,—[*Tuesday, 4th March* 1890]:—That the Statement laid before the House, showing the Changes in the Arrangement of Votes made in the Army and Navy Estimates for 1890–91, be referred to the Committee of Public Accounts.

That a Copy of the Estimates for the year 1890–91 be referred to the Committee of Public Accounts.

Ordered,—[*Monday, 24th March* 1890]:—That Mr. Lane be discharged from the Committee of Public Accounts.

That Mr. Webb be added to the Committee.

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PROCEEDINGS OF THE COMMITTEE - - - - - - - - p. viii
MINUTES OF EVIDENCE - - - - - - - - - - - p. 1
APPENDIX - - - - - - - - - - - - - - p. 81

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SECOND REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the matters to them referred, and have agreed to the following SECOND REPORT:—

ARMY APPROPRIATION ACCOUNT, 1888-9.

PAYMENTS BY INDIA FOR HOME EFFECTIVE CHARGES.

1. THE basis on which the Indian Government should pay for the Home Effective Charges up to the 31st March 1887, has been settled by Lord Northbrook's Committee, and has received the approval of the Treasury. Q. 45-51.

But the basis of calculations for succeeding years remains still unsettled, proposals having been referred to the Government of India, whose reply is being awaited by the same Committee.

INDIAN NON-EFFECTIVE CHARGES.

2. Since your Committee reported last year, the actuarial calculations with respect to the years 1887-88 and 1888-89 have been agreed upon; and a settlement has been made with the Government of India; there is consequently no longer any arrear on this account. Public Accounts Committee, Fourth Report, 1889, para. 4. Q. 52-3.

VOTE A.

3. The Committee of Public Accounts reported in 1879 that, in their opinion, Parliament should be informed by the Comptroller and Auditor General whether or not Vote A. (the Number of Men) has been exceeded. Consequently year by year a statement has been made by the Comptroller and Auditor General, in his Report on the Army Appropriation Accounts, comparing the actual with the estimated numbers of effectives for every month in the year. Public Accounts Committee, Second Report, 1879, para. 71. Q. 73. Army Appropriation Accounts, 1888-89, p. 162, 179.

This comparison is not confined to the numbers actually voted, namely, those "on the Home and Colonial Establishments of the Army, exclusive of those serving in India," but extends to the Table which appears annually in the Estimates, and sets forth the "Number of Men of the Regular Army serving in India." Army Estimates, 1888-89, p. 9.

Seeing that the British forces serving in India are under the control of the Governor General, and are maintained out of the revenues of India, and not voted by Parliament, your Committee have only considered any increase upon the estimated forces in India, so far as such an increase might affect the numbers for the Home and Colonial Service. Public Accounts Committee, Second Report, 1881, para. 52. Q. 55-73.

No important effect seems to have been produced upon these numbers, during the year 1888-89, by the fact that, in every month except one, the Indian Establishment exceeded the numbers shown on the Estimates.

Your Committee recommend that these comparative statements should continue to be made annually by the Comptroller and Auditor General.

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VOTE 1.

Monthly Pay Lists.

Army Appropriation Account, Comptroller and Auditor General's Report, para. 9, p. 163.

4. The system of half-yearly pay lists which has existed since 1877, having then superseded a quarterly system, was open to obvious objections, namely, the long interval during which public money was not accounted for, and the difficulty and delay attending the recovery of sums disallowed.

Public Accounts Committee, Second Report, 1888.

After a trial in 1884, approved by the Public Accounts Committee in 1888, the system of Monthly Pay Lists for the Cavalry, Infantry, and Regimental Districts was introduced experimentally in the year 1888 89, and has since been finally adopted, with Treasury sanction.

Q. 81.

Q. 80.

One good result of the new system will be that audit will follow much more closely on the actual payments than heretofore.

5. That these actual payments would be the basis of the Appropriation Account, to the exclusion of all moneys not really issued to the men, was naturally anticipated by the Comptroller and Auditor General. But your Committee learn that it is intended to charge the Account with the full-pay, for each month, even if part has not been issued to the men.

Q. 84.

Q. 92.

This point seems to call for reconsideration, with a view to insuring, if possible, that the Appropriation Account shall not include sums which may be due but have not been paid.

Q. 110-193 and 319-323.

6. Your Committee inquired, in some detail, into the system of checking, examining, and auditing the Pay Lists. Several suggestions which were made will be the subject of further consideration and experiment, with the object of perfecting, as far as possible, the checks on the transactions of the district paymasters and the captains of companies.

Irregular Payments.

Q. 198-9, 206, 216, 219, 244, 327-8.

7. Your Committee inquired into several cases in which payments had been made which seemed to be inconsistent with the rates fixed by Royal Warrants or otherwise. Steps are being taken to prevent the recurrence of any similar irregularities in future.

8. In a case of this kind, when the Comptroller and Auditor General necessarily raises an objection, this would often, in the opinion of your Committee, be better met by a special regulation, than by a general regulation, such as the War Office has apparently contemplated in the case of certain over-issues of extra-duty-pay to warrant-officers acting as garrison serjeant-majors.

Q. 234-236.

Effect of Cancellation of Discharge upon Deferred Pay.

Q. 249.

9. The payment, to which the Comptroller and Auditor General calls attention, of Deferred Pay, in respect of nearly seven years during which a soldier whose discharge was subsequently cancelled was absent from the service, has raised important questions as to the practice of cancellations of this kind, and the unsatisfactory consequences they entail.

Q. 250, 259.

The subject is under the consideration of the Treasury and War Office, with a view to the adoption of definite regulations, to meet cases in which soldiers who have been discharged are allowed, after an interval, to re-enter the service.

See App.

In the particular instance which has brought this subject under notice, a statement has been laid before your Committee which satisfies them that the payment though highly irregular may be allowed, provided that Treasury sanction is obtained.

Manufacture by Ordnance Store Artificers.

Q. 277.

10. The Comptroller and Auditor General found that manufacturing operations are sometimes carried on by Ordnance Store Artificers. It is admitted that manufacturing accounts should be kept in any case in which it is found necessary to employ such workmen on processes of manufacture.

Q. 332-6.

11. In several cases that have come before your Committee this Session, in the various accounts for which the War Office is responsible, that Department has omitted to reply to points brought before it by the Comptroller and Auditor General. The question raised in his letter of 15th March 1889, as to these operations, remained unanswered. It is desirable that, as far as may be practicable, such delays should be avoided, as they have a tendency to impede the due discharge of his duties, as well as to increase unnecessarily the number of questions which he must bring before your Committee.

Q. 280.

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VOTE 4.

Supply of Medicines, &c., to the Army.

12. The total cost of medicines, surgical instruments, &c., for the Army for the year was 18,571 *l.* 13 *s.*, the Estimate having been 20,000 *l.* Army Appropriation Accounts, p. 169.

The Comptroller and Auditor General calls attention in his report to a striking difference between the mode of obtaining these supplies for the Army and Navy respectively, the former having for many years been supplied from two firms only in England, and one in Ireland, whereas the Admiralty procure medical stores from contractors under a system of limited competition.

Your Committee examined the Accountant General of the War Office, the present Director of the Army Medical Department, and his predecessor, on this subject, and received interesting evidence, especially from the last of these witnesses. Q. 337, 623. Q. 907-985.

There is some difficulty in comparing the two systems, owing to the facts that the Army contractors undertake the packing and most of the distribution of the stores to the various stations and hospitals, and that the requisitions thus met are mainly for amounts of very small value, while the supplies to the Navy are in large quantities, and are distributed by the naval authorities. *See* App.

Your Committee recognise that the question has been the subject of much consideration at the War Office. They also feel that great importance should be attached to maintaining the high quality of the medicines, &c., supplied to the Army. But the experience of other branches of the public service, including the Navy, is available, and will doubtless receive the attention of the War Department.

VOTE 9.

Transport.

13. The expenditure on the sea transport of the Army is no longer provided for in the Navy Estimates, but is borne on Vote 9 for the Army, although still administered by the Admiralty. Army Appropriation Accounts, p. 169, para. 26.

Coastwise Freight of Stores.

14. The Comptroller and Auditor General in examining the Accounts had occasion to call for some papers relating to the coastwise freight of Army Stores, and he reports that they disclosed the circumstances of some grave irregularities which had existed for many years. Army Appropriation Accounts, p. 170.

As he further reports that the recurrence of such irregularities "may, it is hoped, be considered to be guarded against by new arrangements devised with that object," and as the Secretary of State has communicated to your Committee certain objections which he entertains to the publication of the papers, your Committee have not pressed a request for the production of a report (forming part of these papers) from a committee of officers who investigated the subject on his behalf. But the results of the investigation were communicated in a general form to your Committee on his behalf, as well as the measures taken to prevent similar irregularities for the future. Q. 412, 675, 685.

The circumstances of one of these cases, namely, an excessive payment amounting to 27 *l.* 2 *s.* 8 *d.* for the freight from Woolwich to Tynemouth of articles valued at 15 *s.* only, were stated in the Comptroller and Auditor General's Report, and inquired into by your Committee. The War Office has not succeeded in recovering the over-payment from the contractor, and has been advised that there is no legal remedy. But it appears that the Secretary of State has decided that, if the contractor should tender for other work of the kind, he will be required, as a condition of any new contract, to make the repayment. Q. 734. Q. 698.

The Treasury have suggested the alternative of striking the name of the contractor off the War Office list of firms. Your Committee do not express any opinion on this point, as it seems to be one for the decision of the Secretary of State. But, as this has been a case of overcharge, and recovery appears to be impossible for the present, Treasury consent should be obtained for writing off the amount. Q. 740. Q. 739.

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VOTE 12.

Form of Estimate.

15 The Estimate in 1888–89, for Vote 12, varies considerably from that of the previous year. The Estimate for 1887-88 was divided into 27 Sub-Heads; that for 1888-89, which, however, no longer provides for warlike stores for the Navy, contains six only. In 1889-90 the number has been increased to 10.

This change in the form of the Estimate, which is necessarily reproduced in the Appropriation Account, is attended with the following consequences.

The Sub-Heads in Part II. of the Estimates form the Heads of Account under which the expenditure must be aggregated, and the examination of the Comptroller and Auditor General must verify the items making the total expenditure charged to each of the Sub-Heads. Treasury authority is also necessary for transfers from one Sub-Head to another.

Q. 488–492.

With regard to sums allotted to particular Services in Part III. of the Estimates, or in the Appendix, no like obligation rests upon the Accounting Department, or upon the Comptroller and Auditor General, unless by express requirement of the Treasury.

Hence, as a rule, the Comptroller and Auditor General does not check the amounts allocated in Part III. In some cases it would not be practicable for him to do so without keeping a record of the expenditure for himself. In other cases, where the Department itself records such expenditure, as there is no rule binding it to adhere to the sum set down in Part III., there is no sufficient object in verifying such records.

It will thus be obvious that a Department gains a far freer hand in the allocation of its expenditure by transferring items from Part II. to Part III. of the Estimates, and that Treasury control upon this expenditure is *pro tanto* diminished.

Q. 509.

Army Estimates Committee, 1888, First Report, Q. 64. Army Appropriation Accounts, pp. 112, 113.

In conformity with the evidence given before the Army Estimates Committee, 1888, the details of expenditure transferred to Part III. of the Estimates have, for the most part, been furnished in the Explanatory Paper, No. 6, of the Account.

Your Committee consider that, so long as the Sub-Heads of this Vote remain in their present restricted number, the details in Part III. should continue to be verified by the Comptroller and Auditor General, as has been the case in the year 1888-9.

Vertical Columns in Estimates.

Army Estimates, 1888–89, pp. 56–7.

16. The Comptroller and Auditor General points out that the items of anticipated expenditure under Sub-Heads B.—E., as shown in Part III. of the Estimates, are there sub-divided by vertical columns, headed respectively, "Equipment and Reserves," "Annual Maintenance," and "Repayment Services"

No attempt has been made to distinguish the expenditure under these sub-divisions in the Appropriation Account; and it is stated, on behalf of the War Office, that, though in the Accounts it would be extremely difficult, if not impossible, to make the division, which would be purely arbitrary, yet in the Estimates the columns so inserted are of considerable value as explanations.

Q. 467.

Q. 464–6. Q. 494–499, 508–9.

The Treasury and the Comptroller and Auditor General, on the other hand, are of opinion that it is undesirable to insert in the body of the Estimates, even under Part III., any classification of expenditure, which, not being susceptible of adoption in the Accounts, may probably be illusory.

Your Committee agree with this view. If the information given by the classification in question has any real value, it would be better conveyed by means of a footnote.

In furnishing details of estimated expenditure in the body of the Estimates, the Departments should avoid any classification which is admitted to be purely arbitrary.

Advance for Gunpowder.

Q. 537.

17. A payment of 1,200 *l*., recorded against Vote 12 as a final payment, was an advance of 80 per cent. to a firm of contractors on the value of a supply of 400 barrels of gunpowder. The date of payment was 30th March 1889; but the whole of the gunpowder had not then been proved, and, when it was proved, 200 barrels were rejected as unfit for the Service. Eventually the contractors had to repay 75 *l*., as they did not supply more than the value of 1,125 *l*.

Q. 537.

The Accountant General of the War Office gave his opinion that such advances were irregular, and should not be permitted.

Q 543–4.

Obviously they should not appear in the Appropriation Accounts as final payments.

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VOTE 13.

Suakim-Berber Railway.

18. A charge, imperfectly vouched, for 269 *l.*, for wages of labourers in July 1885 on the Suakim-Berber Railway, appears on these accounts. This is additional to the sum of 865,369 *l.* reported to Parliament in 1885 as the total cost of this railway (inclusive of some minor services). As the evidence that there had been vouchers is satisfactory, the Comptroller and Auditor General has passed the charge for allowance in the Account. Army Appropriation Accounts, pp. 47, 175. Q. 555. Q. 746. Q. 556.

VOTE 14.

Overpayment of Examiners' Fees.

19. The disallowance by the Comptroller and Auditor General of 55 *l.* 11 *s.* 2 *d.*, overpaid to examiners, has been followed by the recovery of that amount. Q. 562, 4.

VOTE 23.

Effect of Cancellation of Discharge on a Pension.

20. An instance of a pension granted to a soldier, in respect of 18 months' absence from the Army, between the dates of discharge and cancellation of discharge, raises questions similar to those which your Committee has already noticed. If Treasury sanction is obtained, your Committee recommend that the payment be allowed, on the understanding that regulations to meet cases of this kind will be arranged between the Treasury and the War Office. Q. 576. *Vide supra*, para. 9.

Imperial Defence Act, 1888, Account, 1888-89.

Royal Army Clothing Factory Accounts, 1888-89.

Army Store Accounts, 1888-89.

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PROCEEDINGS OF THE COMMITTEE.

Wednesday, 5th March 1890.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH, in the Chair.

Mr. Sydney Buxton.	Sir Walter Barttelot.
Mr. Lane.	Mr. Salt.
Mr. Arthur O'Connor.	Mr. Wodehouse.
Mr. Barran.	Mr. Donald Crawford.
Mr. Jackson.	Sir John Lubbock.
Sir Richard Temple.	

The Army Appropriation Accounts, 1888-89, Votes 1—24, were considered.

Mr. *Ralph H. Knox*, C.B., Sir *Charles Ryan*, K.C.B., Mr. *Edward Hamilton*, C.B., and Mr. *G. L. Ryder*, C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 12th March 1890.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH, in the Chair.

Mr. Sydney Buxton.	Sir Walter Barttelot.
Mr. Barran.	Mr. Salt.
Mr. Lane.	Mr. Wodehouse.
Mr. Arthur O'Connor.	Mr. Donald Crawford.
Sir Richard Temple.	Sir John Lubbock.

The Army Appropriation Accounts, 1888-89, Votes 4—24, were further considered.

Further consideration of Votes 4, 9, and 12, was postponed.

Mr. *Ralph H. Knox*, C.B., Mr. *Edward W. Hamilton*, C.B., Mr. *G. L. Ryder*, C.B., and Sir *Charles L. Ryan*, K.C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 19th March 1890.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH, in the Chair.

Mr. Sydney Buxton.	Sir Walter Barttelot.
Mr. Barran.	Mr. Wodehouse.
Mr. Lane.	Mr. Donald Crawford.
Mr. Arthur O'Connor.	Sir John Lubbock.

Postponed Votes 4 and 9 of the Army Appropriation Accounts, 1888 89, were further considered.

Further consideration of Vote 4 was postponed.

The Army (Ordnance Factories) Account, and postponed Vote 12 of the Army Appropriation Account, 1888-89, were considered, and further consideration postponed.

Surgeon General *M'Kinnon*, C.B., Mr. *Ralph H. Knox*, C.B., Mr. *J. C. Hurst*, Sir *Charles L. Ryan*, K.C.B., Mr. *Edward W. Hamilton*, C.B., and Mr. *G. L. Ryder*, C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.

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Wednesday, 26th March 1890.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH, in the Chair.

Mr. Barran.
Mr. Salt.
Sir Walter Barttelot.
Sir Richard Temple.
Mr. Arthur O'Connor.
Mr. Wodehouse.
Mr. Donald Crawford.
Sir John Lubbock.
Mr. Jackson.

The Army Appropriation Accounts, 1888-89 (postponed Votes 4 and 12), and the Army (Ordnance Factories) Account, were further considered.

The Imperial Defence Act Account, Army Clothing Factory, and the Army Stores Accounts, were considered.

Sir *Thomas Crawford*, M.D., K.C.B., Surgeon General *W. A. M'Kinnon*, C.B., Mr. *R. H. Knox*, C.B., Mr. *E. W. Hamilton*, C.B., Mr. *G. L. Ryder*, C.B., Sir *Charles Ryan*, K.C.B., and Mr. *W. Anderson*, M.I.C.E., were examined.

[Adjourned to Wednesday, 16th April, at Two o'clock.

Wednesday, 16th April 1890.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH, in the Chair.

Sir Richard Temple.
Mr. Salt.
Mr. Wodehouse.
Mr. Donald Crawford.
Mr. Webb.
Mr. Arthur O'Connor.
Mr. Jackson.
Sir John Lubbock.
Sir Walter Barttelot.

The Re-arrangement of the Civil Service, and the Army and the Navy Votes, was considered.

Mr. *E. W. Hamilton*, C.B., Mr. *Spring Rice*, Mr. *G. L. Ryder*, C.B., Sir *Charles L. Ryan*, K C.B., Mr. *Ralph Knox*, C.B, and Sir *Gerald FitzGerald*, K.C.M.G., were examined.

[Adjourned till Wednesday, 30th April, at Two o'clock.

Wednesday, 30th April 1890.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH, in the Chair.

Mr. Donald Crawford.
Mr. Arthur O'Connor.
Mr. Sydney Buxton.
Mr. Webb.
Sir Richard Temple.
Mr. Barran.
Sir Walter Barttelot.
Sir John Lubbock.
Mr. Salt.

DRAFT SECOND REPORT, proposed by the *Chairman*, read the first time, as follows:—

"ARMY APPROPRIATION ACCOUNT, 1888-89.

"PAYMENTS BY INDIA FOR HOME EFFECTIVE CHARGES.

"1. THE basis on which the Indian Government should pay for the Home Effective Charges up to the 31st March 1887 has been settled by Lord Northbrook's Committee, and has received the approval of the Treasury. Q. 45-51.

"But the basis of calculations for succeeding years remains still unsettled, proposals having been referred to the Government of India, whose reply is being awaited by the same Committee.

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"INDIAN NON-EFFECTIVE CHARGES.

Public Accounts Committee, Fourth Report, 1889, para. 4. Q. 52–3.

"2. Since your Committee reported last year, the actuarial calculations with respect to the years 1887–88 and 1888–89 have been agreed upon; and a settlement has been made with the Government of India; there is consequently no longer any arrear on this account.

"VOTE A.

Public Accounts Committee, Second Report, 1879, para. 71. Q. 73.

"3. The Committee of Public Accounts reported in 1879 that, in their opinion, Parliament should be informed by the Comptroller and Auditor General whether or not Vote A. (the Number of Men) has been exceeded. Consequently year by year a statement has been made by the Comptroller and Auditor General, in his Report on the Army Appropriation Accounts, comparing the actual with the estimated numbers of effectives for every month in the year.

Army Appropriation Accounts, 1888–89, p. 162, 179. Army Estimates, 1888–89, p. 9.

"This comparison is not confined to the numbers actually voted, namely, those 'on the Home and Colonial Establishments of the Army, exclusive of those serving in India,' but extends to the Table which appears annually in the Estimates, and sets forth the 'Number of Men of the Regular Army serving in India.'

"Seeing that the British forces serving in India are under the control of the Governor General, and are maintained out of the revenues of India, and not voted by Parliament, your Committee have only considered any increase upon the estimated forces in India, so far as such an increase might affect the numbers for the Home and Colonial Service.

Public Accounts Committee, Second Report, 1881, para. 52. Q. 55–73.

"No important effect seems to have been produced upon these numbers during the year 1888–89 by the fact that, in every month except one, the Indian Establishment exceeded the numbers shown on the Estimates.

"Your Committee recommend that these comparative statements should continue to be made annually by the Comptroller and Auditor General.

"VOTE 1.

"MONTHLY PAY LISTS.

Army Appropriation Accounts, Comptroller and Auditor General's Report, para. 9, p. 163.

"4. The system of half-yearly pay lists which has existed since 1877, having then superseded a quarterly system, was open to obvious objections, namely, the long interval during which public money was not accounted for, and the difficulty and delay attending the recovery of sums disallowed.

Public Accounts Committee, Second Report, 1888. Q. 81.

"After a trial in 1884, approved by the Public Accounts Committee in 1888, the system of Monthly Pay Lists for the Cavalry, Infantry, and Regimental Districts was introduced experimentally in the year 1888–89, and has since been finally adopted, with Treasury sanction.

Q. 80.

"One good result of the new system will be, that audit will follow much more closely on the actual payments than heretofore.

Q. 84.

"5. That these actual payments would be the basis of the Appropriation Account, to the exclusion of all moneys not really issued to the men, was naturally anticipated by the Comptroller and Auditor General. But your Committee learn that it is intended to charge the Account with the full-pay, for each month, even if part has not been issued to the men.

Q. 92.

"This point seems to call for reconsideration, with a view to insuring, if possible, that the Appropriation Account shall not include sums which are due but have not been paid.

Q. 110–193 and 319–323.

"6. Your Committee inquired, in some detail, into the system of checking, examining, and auditing the Pay Lists. Several suggestions which were made will be the subject of further consideration and experiment, with the object of perfecting, as far as possible, the checks on the transactions of the district paymasters and the captains of companies.

"IRREGULAR PAYMENTS.

Q. 198–9, 206, 216, 219, 244.

"7. Your Committee inquired into several cases in which payments had been made which seemed to be inconsistent with the rates fixed by Royal Warrants or otherwise. Steps are being taken to prevent the recurrence of any similar irregularities in future.

Q. 234–236.

"8. In a case of this kind, when the Comptroller and Auditor General necessarily raises an objection, this would often, in the opinion of your Committee, be better met by a special regulation, than by a general regulation, such as the War Office has apparently contemplated in the case of certain over-issues of extra duty-pay to warrant officers acting as garrison serjeant majors.

"EFFECT OF CANCELLATION OF DISCHARGE UPON DEFERRED PAY.

Q. 249.

"9. The payment to which the Comptroller and Auditor General calls attention, of Deferred Pay, in respect of nearly seven years during which a soldier whose discharge was subsequently cancelled was absent from the service, has raised important questions as to the practice of cancellations of this kind, and the unsatisfactory consequences they entail. The subject is under the consideration of the Treasury and War Office, with a view to the adoption of definite regulations,

Q. 250, 259.

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to meet cases in which soldiers who have been discharged are allowed, after an interval, to re-enter the service.

"In the particular instance which has brought this subject under notice, a statement has been laid before your Committee which satisfies them that the payment may be allowed, provided that Treasury sanction is obtained. *See* App.

"MANUFACTURE BY ORDNANCE STORE ARTIFICERS.

"10. The Comptroller and Auditor General found that manufacturing operations are sometimes carried on by Ordnance Store Artificers. It is admitted that manufacturing accounts should be kept in any case in which it is found necessary to employ such workmen on processes of manufacture. Q. 277. Q. 332–6.

"11. In several cases that have come before your Committee this Session, in the various accounts for which the War Office is responsible, that Department has omitted to reply to points brought before it by the Comptroller and Auditor General. The question raised in his letter of 15th March 1889 as to these operations remained unanswered. It is desirable that, as far as may be practicable, such delays should be avoided, as they have a tendency to impede the due discharge of his duties, as well as to increase unnecessarily the number of questions which he must bring before your Committee. Q. 280.

"VOTE 4.

"SUPPLY OF MEDICINES, &c., TO THE ARMY.

"12. The total cost of medicines, surgical instruments, &c., for the Army, for the year, was 18,571 *l.* 13 *s.*, the estimate having been 20,000 *l.* Army Appropriation Accounts, p. 169.

"The Comptroller and Auditor General calls attention in his report to a striking difference between the mode of obtaining these supplies for the Army and Navy respectively, the former having for many years been supplied from two firms only in England, and one in Ireland, whereas the Admiralty procure Medical Stores from contractors under a system of limited competition.

"Your Committee examined the Accountant General of the War Office, the present Director of the Army Medical Department, and his predecessor, on this subject, and received interesting evidence, especially from the last of these witnesses. Q. 337, 623. Q. 907–985.

"There is some difficulty in comparing the two systems, owing to the facts that the Army contractors undertake the packing and most of the distribution of the stores to the various stations and hospitals, and that the requisitions thus met are mainly for amounts of very small value, while the supplies to the Navy are in large quantities, and are distributed by the naval authorities. *See* App.

"Your Committee recognise that the question has been the subject of much consideration at the War Office. They also feel that great importance should be attached to maintaining the high quality of the medicines, &c., supplied to the Army. But the experience of other branches of the public service, including the Navy, is available, and will doubtless receive the attention of the War Department.

"VOTE 9.

"TRANSPORT.

"13. The expenditure on the sea transport of the Army is no longer provided for in the Navy Estimates, but is borne on Vote 9 for the Army, although still administered by the Admiralty. Army Appropriation Accounts, p. 169, para. 26.

"COASTWISE FREIGHT OF STORES.

"14. The Comptroller and Auditor General, in examining the Accounts, had occasion to call for some papers relating to the coastwise freight of Army Stores, and he reports that they disclosed the circumstances of some grave irregularities which had existed for many years. Army Appropriation Accounts, p. 170.

"As he further reports that the recurrence of such irregularities 'may, it is hoped, be considered to be guarded against by new arrangements devised with that object,' and as the Secretary of State has communicated to your Committee certain objections which he entertains to the publication of the papers, your Committee have not pressed a request for the production of a report (forming part of these papers) from a committee of officers who investigated the subject on his behalf. But the results of the investigation were communicated in a general form to your Committee on his behalf, as well as the measures taken to prevent similar irregularities for the future. Q. 412, 675, 685.

"The circumstances of one of these cases, namely, an excessive payment amounting to 27 *l.* 2 *s.* 8 *d.* for the freight from Woolwich to Tynemouth of articles valued at 15 *s.* only, were stated in the Comptroller and Auditor General's Report, and inquired into by your Committee. The War Office has not succeeded in recovering the over-payment from the contractor, and has been advised that there is no legal remedy. But it appears that the Secretary of State has decided that, if the Q. 734.

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Q. 698. contractor should tender for other work of the kind, he will be required, as a condition of any new contract, to make the repayment.

Q. 740. "The Treasury have suggested the alternative of striking the name of the contractor off the War Office list of firms. Your Committee do not express any opinion on this point, as it seems to
Q. 739. be one for the decision of the Secretary of State. But, as this has been a case of overcharge, and recovery appears to be impossible for the present, Treasury consent should be obtained for writing off the amount.

"VOTE 12.

"FORM OF ESTIMATE.

"15. This Estimate for Vote 12, which, however, no longer provides for warlike stores for the Navy, varies considerably from that of the previous year. The Estimate for 1887–88 was divided into 27 Sub-Heads; that for 1888-89 contains six only. While in 1889-90 the number has been increased to 10.

"This change in the form of the Estimate, which is necessarily reproduced in the Appropriation Account, is attended with the following consequences.

"The Sub-Heads in Part II. of the Estimates form the Heads of Account under which the
Q. 488–492. expenditure must be aggregated, and the examination of the Comptroller and Auditor General must verify the items making the total expenditure charged to each of the Sub-Heads. Treasury authority is also necessary for transfers from one Sub-Head to another.

"With regard to sums allotted to particular services in Part III. of the Estimates, or in the Appendix, no like obligation rests upon the Accounting Department, or upon the Comptroller and Auditor General, unless by express requirement of the Treasury.

"Hence, as a rule, the Comptroller and Auditor General does not check the amounts allocated in Part III. In some cases it would not be practicable for him to do so without keeping a record of the expenditure for himself. In other cases, where the Department itself records such expenditure, as there is no rule binding it to adhere to the sum set down in Part III., there is no sufficient object in verifying such records.

"It will thus be obvious that a Department gains a far freer hand in the allocation of its
Q. 509. expenditure by transferring items from Part II. to Part III. of the Estimates, and that Treasury control upon this expenditure is *pro tanto* diminished.

Army Estimates Committee, 1888, First Report, Q. 64. Army Appropriation Accounts, pp. 112, 113. "In conformity with the evidence given before the Army Estimates Committee, 1888, the details of expenditure transferred to Part III. of the Estimates have, for the most part, been furnished in the Explanatory Paper, No. 6, of the Account.

"Your Committee consider that, so long as the Sub-Heads of this Vote remain in their present restricted number, the details in Part III. should continue to be verified, as has been the case in the year 1888-89.

"VERTICAL COLUMNS IN ESTIMATES.

Army Estimates, 1888–89, pp. 56–7. "16. The Comptroller and Auditor General points out that the items of anticipated expenditure under Sub-Heads B.—E., as shown in Part III. of the Estimates, are there sub-divided by vertical columns, headed respectively, "Equipment and Reserves," "Annual Maintenance," and "Repayment Services."

"No attempt has been made to distinguish the expenditure under these sub-divisions in the
Q. 467. Appropriation Account; and it is stated, on behalf of the War Office, that, though in the Accounts it would be extremely difficult, if not impossible, to make the division, which would be purely arbitrary, yet in the Estimates the columns so inserted are of considerable value as explanations.

Q. 464–6. "The Treasury and the Comptroller and Auditor General, on the other hand, are of opinion
Q. 494–499, 508–9. that it is undesirable to insert in the body of the Estimates, even under Part III., any classification of expenditure, which, not being susceptible of adoption in the Accounts, may probably be illusory.

"Your Committee agree with this view. If the information given by the classification in question has any real value, it would be better conveyed by means of a footnote.

"In furnishing details of estimated expenditure in the body of the Estimates, the Departments should avoid any classification which is admitted to be purely arbitrary.

"ADVANCE FOR GUNPOWDER.

Q. 537. "17. A payment of 1,200 *l.*, recorded against Vote 12 as a final payment, was an advance of 80 per cent. to a firm of contractors on the value of a supply of 400 barrels of gunpowder. The date of payment was 30th March 1889; but the whole of the gunpowder had not then been proved, and, when it was proved, 200 barrels were rejected as unfit for the Service. Eventually the contractors had to repay 75 *l.*, as they did not supply more than the value of 1,125 *l.*

Q. 537. "The Accountant General of the War Office gave his opinion that such advances were irregular, and should not be permitted.

Q. 543–4. "Obviously they should not appear in the Appropriation Accounts as final payments.

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"VOTE 13.

"SUAKIM-BERBER RAILWAY.

"18. A charge, imperfectly vouched, for 269 *l.*, for wages of labourers in July 1885 on the Suakim-Berber Railway, appears on these accounts. This is additional to the sum of 865,369 *l.* reported to Parliament in 1885 as the total cost of this railway (inclusive of some minor services). As the evidence that there had been vouchers is satisfactory, the Comptroller and Auditor General has passed the charge for allowance in the Account. Army Appropriation Accounts, pp. 47, 175. Q. 555. Q. 746. Q. 556.

"VOTE 14.

"OVERPAYMENT OF EXAMINERS' FEES.

"19. The disallowance by the Comptroller and Auditor General of 55 *l.* 11 *s.* 2 *d.*, overpaid to examiners, has been followed by the recovery of that amount. Q. 563, 4.

"VOTE 23.

"EFFECT OF CANCELLATION OF DISCHARGE ON A PENSION.

"20. An instance of a pension granted to a soldier, in respect of 18 months' absence from the Army, between the dates of discharge and cancellation of discharge, raises questions similar to those which your Committee has already noticed. If Treasury sanction is obtained, your Committee recommend that the payment be allowed, on the understanding that regulations to meet cases of this kind will be arranged between the Treasury and the War Office. Q. 576. *Vide supra*, para. 9.

"IMPERIAL DEFENCE ACT, 1888, ACCOUNT, 1888-89.

"ROYAL ARMY CLOTHING FACTORY ACCOUNTS, 1888-89.

"ARMY STORE ACCOUNTS, 1888-89."

DRAFT REPORT read a second time, paragraph by paragraph.

Paragraph 1—4, *agreed to.*

Paragraph 5, amended, and *agreed to.*

Paragraph 6—8, *agreed to.*

Paragraph 9, amended, and *agreed to.*

Paragraph 10—13, *agreed to.*

Paragraph 14.- Amendment proposed, in line 5 and following lines, to leave out all the words from the word "As" to the end of the paragraph—(Mr. *Arthur O'Connor*).- Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 5.	Noes, 3.
Sir Richard Temple.	Mr. Webb.
Sir Walter Barttelot.	Mr. Barran.
Mr. Salt.	Mr. Arthur O'Connor.
Mr. Wodehouse.	
Mr. Donald Crawford.	

Paragraph *agreed to.*

Paragraph 15, amended, and *agreed to.*

Paragraph 16—20, *agreed to.*

Question, That this Report, as amended, be the Second Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with Minutes of Evidence and Appendix.

The Navy Appropriation Accounts, 1888-89, were considered.

Sir *Charles L. Ryan*, K.C.B., Mr. *Forwood*, a Member of this House, Sir *Gerald FitzGerald*, K.C.M.G., and Mr. *G. L. Ryder*, C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.

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LIST OF WITNESSES.

Wednesday, 5th March 1890.

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Mr. Edward W. Hamilton, C.B., Sir Charles Lister Ryan, K.C.B, and Mr. G. L. Ryder, C.B. 1

Mr. Ralph Henry Knox, C.B. - - - - - - - - - - - - - 1

Wednesday, 12th March 1890.

Mr. Edward W. Hamilton, C.B., Sir Charles Lister Ryan, K.C.B., and Mr. G. L. Ryder, C.B. 20

Mr. Ralph Henry Knox, C.B. - - - - - - - - - - - - - 20

Wednesday, 19th March 1890.

Mr. Edward W. Hamilton, C.B., Sir Charles Lister Ryan, K.C.B., and Mr. G. L. Ryder, C.B. 41

Mr. Ralph Henry Knox, C.B. - - - - - - - - - - - - 41

Surgeon General W. A. Mackinnon, C.B. - - - - - - - - - - - 41

Mr. J. C. Hurst - - - - - - - - - - - - - - 57

Wednesday, 26th March 1890.

Sir Charles Lister Ryan, K.C.B., Mr. Edward W. Hamilton, C.B., and Mr. G. L. Ryder, C.B. 62

Sir Thomas Crawford, M.D., K.C.B., Q.H.S. - - - - - - - - - - - 62

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Mr. W. Anderson, D.C.L., M.Inst.C.E. - - - - - - - - - - - 76

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MINUTES OF EVIDENCE.

Wednesday, 5th March 1890.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Donald Crawford.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Mr. Lane.
Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

ARMY APPROPRIATION ACCOUNT, 1888-89.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. G. L. RYDER, C.B., called in; and Examined.

Mr. RALPH HENRY KNOX, C.B., called in; and Examined.

INDIAN HOME EFFECTIVE CHARGES.

Chairman.

45. I BELIEVE that a settlement has been arrived at with respect to the Indian home effective charges up to the 31st of March 1887?—Yes.

46. (To Mr. *Ryder*.) And the Treasury have approved of the arrangement?—They have.

47. (To Mr. *Knox*.) Has any answer with respect to subsequent years been received from the Government for India?—I believe not. I made inquiry the other day, and no reply had been received from India to the reference that was made to the Government in India by the India Office.

48. Can you give any information to the Committee as to when this matter, which has been going on so long, will be finally settled?—The War Office has submitted its claim for 1888 and made a proposal for the future, and I understand that is what has been referred to the Government of India. As soon as the reply is received (and I understand the India Office is pressing them by telegraph to send an answer) the Commission will meet, and I have little doubt that then they will come to some conclusion.

49. You refer, I presume, to Lord Northbrook's Committee?—Yes.

Mr. *Sydney Buxton.*

50. Has Lord Northbrook's Committee been waiting all this time for the reply from India?—Yes; since the Committee sat last year.

51. They have not met since then?—No.

INDIAN NON-EFFECTIVE CHARGES.

Chairman.

52. The actuarial calculations with respect to the Indian non-effective charges have been agreed to since we sat last year, I think?—Yes; and they have now been completed up to 1888-89, and a settlement has been come to with the Indian Government with regard to them.

53. So far that matter is also finally settled?—It is settled from year to year; the calculations are made from year to year, and now there is no longer any arrear on this account.

54. Have the actuarial calculations for the following year, 1888-89, been agreed upon?—Yes.

COMPARISON OF THE ADJUTANT GENERAL'S RETURNS AND EXPLANATORY PAPER, NO. 10, PAGE 144 OF APPROPRIATION ACCOUNT, WITH VOTE A. AND PAGE 9 OF THE ARMY ESTIMATES.

Chairman.

55. (To Sir *C. L. Ryan*.) I observe that you call attention to the considerable excesses in the Indian Establishment during every month of the year with the exception of September; have those excesses been accompanied by any very considerable effect upon the establishment at home?—I do not know that they could have been accompanied by anything except a temporary effect upon the establishments at home.

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5 *March* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. KNOX, C.B. [*Continued.*

ARMY APPROPRIATION ACCOUNT.

Comparison of the Adjutant General's Returns and Explanatory Paper, &c.—*continued.*

Chairman—continued.

If the establishments in India are in excess of the number, the depôts here must have been fully recruited so as to meet the Indian demands. So far the Indian Establishment affects the Home Establishment.

56. It appears from your Report and the figures in the table referred to that the number of effectives upon the Home and Colonial Establishment was, during the whole of the year, less than the number provided by Vote A.?—That was so.

57. Do you think that that can be in any degree attributable to the increase of the force in India?—I think that perhaps Mr. Knox can answer that question better than I could.

58. (To Mr. *Knox.*) Perhaps you would favour us with some light upon that point?—I should answer the question by saying, no, I do not think that it arose in any way from that cause; it is true, as I see on looking at these returns, that the number of effectives in India was in excess of the establishment, but of course it is extremely difficult to regulate the drafts to India exactly by the establishment. An estimate is made of what drafts will be required, and the Adjutant General does his best to supply the drafts which it is anticipated will be sufficient, or rather slightly more than sufficient, to meet the vacancies upon the Indian Establishment. Our hope always is that these deficiencies which are created in the establishment at home will, during the summer months be made up by recruiting. During those months it would appear we failed to do so, though at September (which is the time at which the establishment is expected to be completely full) it was only 400 men short.

59. I see by the Paper, at page 179, that in October and November the number of effectives in the regular Army was less than had been provided for in the Estimates by 3,250 and 3,652 respectively?—Yes; it has been, I think, explained more than once to this Committee that the establishment which is provided in the Army Estimates is the maximum establishment, because the Vote is taken for a number of men not exceeding the number stated in the Estimates, and it has always been held that that is the limit to which the forces may be raised. In consequence of the method necessarily adopted for supplying drafts to India, our establishment at home for certain periods is low; that is to say, there are a good number of vacancies in it; and at other periods of the year it is approximating fulness. This would show that the calculation was very fairly made, for, as I say, in the month of September we were approaching our maximum number, and they were only 400 short of the full establishment provided. We should contemplate our number being from 1,000 to 4,000 short of the maximum number during certain months of the year as I have mentioned.

60. It appears that it was so during six months

ARMY APPROPRIATION ACCOUNT.

Comparison of the Adjutant General's Returns and Explanatory Paper, &c.—*continued.*

Chairman—continued.

of the year, the smallest difference being in December 1888, when it was 1,566, and the largest difference being attained in the month of March 1889, when it was 4,167?—Yes; the number undergoes frequent variations during that time, because that is the period during which the reliefs are going on; regiments are going out, drafts going out, and other regiments coming back, and time-expired men are coming back, who for a certain time are on our establishment until their discharges are completed, and they are passed into the reserve, or to pension, or out of the service. So that the numbers at that time are constantly fluctuating for those reasons.

61. Do the drafts go out to India from October up to March?—Yes, during six months of the year.

62. In spite of this great disparity between the number of effectives actually upon the establishment and the number who were voted, I see that under Sub-Head A. of Vote 1, that is for the pay of the Army, there was a deficiency?—That is so. Recognising the system under which we vote the maximum establishment, and knowing full well that the maximum establishment is not likely to be reached, except during perhaps one month of the year, a deduction is always made from the total charge for the full establishment from the provision in the Estimates; and it so happened that that year the deduction that was made was rather too large, and we were deficient something like 9,000 *l.* or 10,000 *l.* upon that Sub-Head out of the four millions and a half.

63. Coming to another point, would you tell me who is responsible for the figures given each year in the Estimates as regards the Indian Establishment?—The War Office is responsible. They are the establishments which we have arranged with the Indian Government. They are not sent in to us by the Indian Government, but are noted as the establishments that have been agreed upon.

64. No communication is made to the War Office by the India Office to say that those are going to be the establishments for the year?—No; they are much more fixed than that. The arrangement is that they shall have so many infantry regiments of such-and-such a strength, and that obtains for a considerable period. Of course any change that may be agreed upon would be noted; with regard to the number of batteries in the establishment, for instance, the numbers are agreed between the Departments, and they are inserted here to give information to Parliament that that is the British contingent serving in India, though the money is not voted for them.

65. If the numbers were greatly exceeded, as they were in the year in question, does the War Office ask any explanation from the India Office on the subject?—The understanding with the India Office always is that the drafts be sent out full, so that at the commencement of the year they

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ARMY APPROPRIATION ACCOUNT.

Comparison of the Adjutant General's Returns and Explanatory Paper, &c.—*continued.*

Chairman—continued.

they shall always be a little in excess of the establishment, to allow for the drain that necessarily arises during that period of the year in which they receive no drafts, to make good any casualties that may arise.

Sir *Walter Barttelot.*

66. This same thing has taken place for years, has it not?—This is a system that has gone on for years, but of course it is more marked since the introduction of short service, because the number of men interchanging between home and India is much larger than in former times.

67. Until you get a requisition to say how many more men are wanted for a particular regiment in India, you do not know how many you may have to send out from this country?—No; we can only make our calculations upon averages, and recruiting is carried on with a view to meet the normal demand. No doubt in some cases regiments make heavier demands than were contemplated, and sometimes the demand is lighter.

68. Supposing you had calculated that 250 men might be wanted for a certain regiment, and it happened that 300 men were wanted, of course you would have to send out 300 men fitted for service in India, and for that particular regiment; you would, therefore, have 50 men less than you calculated for at home?—We should do our best to comply with the demands of the Indian Government, but I have known instances in which we have not been able to comply with that demand as regards some few men. The regiment sometimes cannot produce them, and we have under those circumstances (though it has not happened frequently of late, I think) got men to volunteer from other regiments, so as to make up the total number for that regiment.

69. That would be taking away men from England, and you might not have got recruits to replace them?—It must be remembered, however, that, as I stated, the demand is not constant; it is not the same in every regiment. We may have recruited more than are required for one regiment, and less than are required for another, and then we should manage to make a transfer between the two.

70. But you may not have recruited a sufficient number in the regiment at the time the demand may be made upon you?—We could not wait for the demand; it is not made periodically in a regular way. We should not have the men trained and ready to go if we were to wait for the demand. We have calculated that such establishments as are now maintained at home will be quite sufficient to supply the normal drafts for India, and we work upon that establishment and keep it full; that is to say, every regiment of infantry has 720 men. We calculate that if we keep that regiment full it will be sufficient to supply drafts varying from 200 to 300.

ARMY APPROPRIATION ACCOUNT.

Comparison of the Adjutant General's Returns and Explanatory Paper, &c.—*continued.*

Mr. *Wodehouse.*

71. Was the difference between the numbers of men on the regimental establishments and the effective strength, as shown by the returns of the Adjutant General in the case of the total establishment of the regular Army, in the months of September, October, and November, in excess of the usual difference?—Not in excess of the anticipated difference; but in recent years the demands from India for drafts have been gradually increasing, owing to the full operation of the system of short service. I cannot say for certain, but I think that these numbers quite reach those of any former years, and the probability is that they may go on a little increasing.

72. (To Sir *C. L. Ryan.*) May I ask you whether there was anything special in this difference this year, that moved you to call attention to it in your Report?—The Committee will understand that this comparison was made originally at their request in 1879; it is merely a statement of the facts; and it does not imply upon my part a criticism either adverse or otherwise. The comparison is made in my office from returns furnished by the Adjutant General, and is made because this Committee thought it was desirable to have before them in some shape (the Army Accounts not giving the information in any detail, at all events) a statement of comparison, showing what the actual numbers were and what the voted numbers were.

73. Have you had occasion to make any similar comment in recent years?—Yes; this statement, which would probably show very much the same result, has been made from year to year since 1879.

Mr. *Lane.*

74. (To Mr. *Knox.*) If it is customary that every year certain drafts go out to India during these six winter months, and a certain number of regiments return about the same time, is there no means by which the War Office could better prepare the numbers of effective troops as required for the purposes of the Estimates; this occurs annually, does it not?—Yes; but the House of Commons wishes to put a limit upon the number of men who may be serving in the regular Army at any time in the year. That being so, it is necessary to vote a maximum establishment, and we work within those limits.

75. Do I understand you to convey that there is no connection between the excess upon the Indian Establishment for those months and the decrease upon the Home Establishments, which seem to be almost alike?—It cannot be stated that they have no connection, because I think it is obvious that if an excess of men had not been sent out to India and had remained at home they would have filled up the gap thus created. But it is impossible to work the two exactly together; that is to say, the Indian Establishment with the Home Establishment; it is of necessity done in

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ARMY APPROPRIATION ACCOUNT.

Comparison of the Adjutant General's Returns and Explanatory Paper, &c.—*continued.*

Mr. *Lane*—continued.

anticipation and on the average, although, of course, that may be disturbed.

76. If these are only exchanges between the Home and Indian Establishments the excesses ought not to appear, ought they, on the Indian Establishment?—They appear on the Indian Establishment, but the Indian Government, as I stated, I think, makes a demand which will fill all their anticipated casualties, as we call them, and give them a little over to fill any vacancies that may arise before the drafts come out in the next year, from deaths and so on; and these returns show that such a demand as that was complied with.

STRENGTH OF EACH ARM OF THE SERVICE.

Chairman.

77. The Comptroller and Auditor General mentions that the officers, warrant officers, and serjeants of the Commissariat and Transport and Ordnance Store Departments, although provided in the Estimate under regimental establishments, are not included in the Adjutant General's monthly returns, and I see they have to be brought in specially to the Explanatory Paper which is printed on page 144 of the Appropriation Account; will you tell me why the Adjutant General does not include them in his monthly return?—He does include them now, but until just recently these men were excluded from the regimental returns, being regarded as purely departmental men, working under the departmental chief and not included in what are called regimental establishments. They are now included in the regimental establishments and are included in the returns.

On VOTE 1.

SYSTEM OF MONTHLY PAY LISTS.

Chairman.

78. (To Sir *C. L. Ryan.*) I think that this year your detailed test examination has been mainly directed to this Vote in connection with the new system of monthly pay lists?—Yes, it has been so.

79. You considered that the adoption of that system for the cavalry and infantry regimental districts rendered it desirable that you should examine in detail the effect of the changes which accompanied the introduction of the system?—Yes.

80. I gather that on the whole you express satisfaction that means have been found for successfully meeting the difficulties attendant on the adoption of a system which offers the great advantage of bringing the financial transactions of the various regiments under earlier and closer review?—Yes; that observation was made and

ARMY APPROPRIATION ACCOUNT.

Vote 1.—System of Monthly Pay Lists—*continued.*

Chairman—continued.

was intended to express my satisfaction in finding that a system of monthly accounts had been adopted, which has the effect, of course, of bringing the War Office examination and my examination closer upon the actual occurrences than they otherwise could have been.

81. This subject, I believe, was before the Public Accounts Committee of 1888, and they then expressed their approval of the experiment which was being made in the new system?—Yes; this subject has been before the Committee on more than one occasion, and the tendency of this Committee's opinion was always in favour of the change, could the difficulties be got over which seemed to attend it before.

NEW FORM OF ARMY PAY LISTS.

Chairman.

82. With respect to the new form of Army pay lists, you think also, I observe, that considerable advantage has been secured by the concurrent adoption of a new form of Army pay lists which makes the actual transactions of the paying officer the basis of the account?—Yes.

83. Do you think that goes far to meet and to remove the difficulties to which you have called attention?—I think it does.

84. Under the new system the charges against Army Votes will consist of actual payments either to or on behalf of the men, and will also account for the stoppages due to the public; those, I understand, are gains, in your opinion?—Yes. (Mr. *Knox.*) As you have asked that question, I think I ought to say that I do not quite agree with the statement of the Comptroller and Auditor General in his Report that that is so. There is no intention whatever of limiting the charges in the account to the actual payments that have been made to the men, but it is intended to continue the practice that has hitherto obtained; that is to say, the charge for the full pay for the period would appear in the account though it may not be issued to the men. (Sir *C. L. Ryan.*) Then I must retract what I said in the way of approval.

85. (To Mr. *Knox.*) Do you mean that the payment which will appear will be the payment to the paymaster?—No; it will be the amount carried to the credit of the man, but it will not necessarily have been paid to the man.

86. That point, perhaps, will arise better in considering the details of the system a little further on in the Report?—It is a point that was raised some few years ago before this Committee, and after some considerable discussion it was decided that that system must be recognised. We have acted upon it since then, and I do not see any possibility of departing from it.

87. Could you give the Committee an illustration to make it clear what payments appearing here will differ from those actually made to the men?—The charge will be made on the pay list for the pay of a man for the full period. It

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ARMY APPROPRIATION ACCOUNT.

Vote 1.—New Form of Army Pay Lists—*continued.*

Chairman – continued.

may happen that that man is away, but notwithstanding he is away and has not received his payment, that charge will be made in the account. The account, however, will contain a statement of what is due to the man, and that will be carried forward as a balance and be shown in the next period of account, and may be paid to him actually in the period of the next account. The charge would be made notwithstanding the fact that the money has not been paid to the man; and that is a system which certainly must be maintained, so far as I can see, and according to the experience of all who have to deal with these things.

88. Would not that come under the category of a payment made "on behalf of the men;" the statement of the Comptroller and Auditor General which I quoted just now was that "the charges against Army Votes will consist of actual payments either to or on behalf of the men;" would not what you describe come under the second category?—No; no payment need have been made at all. It would be carried to his credit in the account, and the payment might be made in the next month.

89. With whom would the cash remain?—It would probably be, or at least it might be, in the coffers of the War Office. If it were only one man the paymaster would probably have it, but if there were any number of men in that position he would probably not have drawn the money.

Mr. *Jackson.*

90. You say, however, that there is a separate statement attached to the account showing what is due to the man, and carrying it forward as a balance?—Yes.

Chairman.

91. (To Sir *C. L. Ryan.*) Would these statements which have just been made in any way modify your approval of the plan?—Certainly they would. One of the main objections to the old system was, that payments were entered into the accounts that had never been made; that credit was taken for payments, although the money had never left the paymaster's hands. I may have been misinformed as to the system, but I thought that this new system of accounts would show only the actual payments that are made to the men, The Committee are aware that I do not get the receipts of the men, and cannot verify the facts, as will appear presently.

92. Taking the illustrations given by Mr. Knox, would your view be that such sums not actually paid to the men should not be included in the charges shown in these accounts?—My view is that the Appropriation Account should be a matter of fact, and that nothing should be included in the Appropriation Account which has not been paid and not been received, and that sums due are not the same thing as sums paid.

ARMY APPROPRIATION ACCOUNT.

Vote 1.—New Form of Army Pay Lists—*continued.*

Mr. *Arthur O'Connor.*

93. Do I understand you to say that you regard, or regarded, the new form of accounts as being based upon final payments in all cases?—I so understood it, but. probably, I was mistaken.

94. (To Mr. *Knox*) Is that, or could it by any possibility be, the case?—No, it neither is, nor could by any possibility be, the case.

Chairman.

95. Why would it be impossible?—It would necessitate a most elaborate system of accounts which are necessarily in the hand of captains of companies and serjeants, and so on. They would have to be always referring back and making calculations as to what was due to the men, instead of following the regular system of payment and forms which are practically their guide in dealing with all the settlements with the men. I am sure that the military officers who are really responsible for making these payments would request to be relieved from any responsibility in dealing with such payments as these if such a system as that were to be introduced. They now can carry forward and calculate from time to time what sum is due to the men, and make settlements from time to time with the men, making advances according to what is due to them. By this new system we always see (and this is a considerable advantage) whatever is due to or from the men, which was always kept from us under the previous system.

96. You told the Committee, as I understand, that these charges will include money which has never left the War Office?—It may be so. The paymaster makes a demand for so much money in round sums to meet the charges which may have to be defrayed during the period of the account. The captains of companies inform him how much money they may want and he makes the advances to them. Then the captains account for that, and render their pay list, showing how much they have paid, and also how much is due to the men or from the men under the changing circumstances of their service, and a charge is made of what is due to the men.

Mr. *Arthur O'Connor.*

97. Could not you make the accounts so far accounts of final payment that the casual balances on account of absent men should be in the hands of captains of companies?—The captain of a company always endeavours to keep his balance as low as possible, but, of course, if he does not know whether a man will be present or not, he takes care to have the money ready to pay him. But he can only show as an actual charge what he has paid. Of course he has to account for it in the balance in the account.

98. That is to say, he can only discharge himself for so much as he can get the receipt of the man for?—He does not get the receipt of the man; he gets the acknowledgment of the man that the account is correct.

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ARMY APPROPRIATION ACCOUNT.

Vote 1.—New Form of Army Pay Lists—*continued*

Mr. *Arthur O'Connor*—continued.

99. Which is practically a discharge up to the date of the receipt?—Yes.

100. He must necessarily have a certain amount of balance in hand, must he not?—Sometimes he has and sometimes he has not. There are frequently cases in which the captain has no balance in hand; there is money due to him sometimes.

101. It would seldom be that the accounts would actually balance at the end of the month?—Yes, and he would be settled with.

102. There would generally be a balance, either one way or the other, I understand?—Yes, and they would be scrutinised and examined.

103. But you could make these accounts accounts of final payments, at least, so far as the captain of the company goes?—A settlement is come to every month with the captain of the company as regards the payments that have been made, and he only gets credit for the payments which have been actually made.

104. (To Sir *C. L. Ryan.*) The reason why I asked these questions was, that I wanted to ask you whether, if, in all cases where it was possible, you had the receipts of the individual men, in cases where it was not possible to actually pay the men because they were absent, or for other reasons, you would be satisfied if you had them from the captain of the company for the sum on account of the men?—I think it would be almost premature for me to express an opinion upon that point until I could see how the thing would work upon paper, because at present I do not even get the receipts of the men. I know nothing of the transactions with the captains of companies, and I should require to have more information before I could give an answer as to what would be satisfactory in that particular.

Chairman.

105. (To Mr. *Knox.*) You said just now that you did not get the receipts of the men, but looking at the form of the pay list which I have before me, I see a column for the signature of the soldier, which follows the various details of what is due by the public, and due to the public and due by or to the soldier, and therefore shows practically what money passes; do you not regard that as the receipt of the soldier?—We regard it as satisfactory evidence of payment, but we do not get any receipt from the soldier; there is no signature; there is a certificate that that is carried to his credit.

106. But he gives this signature, I suppose, upon the form at the time that he is paid and receives the money?—No, not at the time that he is paid; he is paid from time to time during the month. He gets an instalment weekly; it may be that he is paid daily; and at the end of the month there is a settlement, and he signs an acknowledgment that the state of the account is correct, not that he has received a certain sum of money.

ARMY APPROPRIATION ACCOUNT.

Vote 1.—New Form of Army Pay Lists—*continued.*

Chairman—continued.

107. That is practically a receipt, is it not?—It is practically a receipt. Of course it is sufficient evidence, but it is not in the ordinary form a receipt.

Mr. *Arthur O'Connor.*

108. Is it not more than a receipt; it is a settlement of account, is it not?—It is a settlement of account.

Mr. *Wodehouse.*

109. Does he sign once a month?—Yes, but those pay lists we do not receive. The signatures are received by the captains of companies on the copy of the account which is kept with the regiment.

EXAMINATION OF PAY LISTS.

Chairman.

110. Would you explain generally to the Committee the nature of the change introduced into the system of paymasters?—The old system which prevailed was what was called the regimental system. An officer was attached to each regiment who was paymaster of that regiment; he received sums direct from the War Office, and disbursed them to the captains of companies, and received from the captains of companies a monthly account of their companies, and then consolidated or embodied all those accounts in the account which he rendered to the War Office. The regimental system has been put an end to, and paymasters have been now located at various stations throughout the country, and in the foreign settlements, who practically make the advances to the captains of companies, and receive from them their monthly pay lists, which monthly pay lists (those just alluded to) are forwarded to the War Office as vouchers to the account of the station paymaster. There is no longer a consolidated pay list, and there is no longer a regimental paymaster. In lieu of that we have the company pay lists sent in direct by the captains of companies to these district paymasters, who examine them and raise any queries which they may think right, and then they are forwarded to the War Office, where they undergo a subsequent examination, though not a complete examination, such as was given to the accounts before.

111. As I understand, there are duplicate pay lists; one is called the "Monthly Pay List" and the other the "Duplicate Pay List," and they are forwarded complete in every particular to the paymaster immediately after the end of each month?—Yes.

112. Which of those is it which, as you have just told us, goes on to the War Office for examination; is it the monthly pay list or the duplicate pay list?—The duplicate pay list.

113. Then the original pay list, which is called the monthly pay list, is returned to the captain

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ARMY APPROPRIATION ACCOUNT.

Vote 1.—Examination of Pay Lists—*continued.*

Chairman—continued.

captain of the company?—Yes, to the captain of the company.

114. And kept by him?—Yes; that is the pay list which is signed by the men.

115. The duplicate is vouched by the station paymaster, is it not; he is responsible for seeing that it exactly corresponds with the other?—Yes.

116. As I understand, after any corrections have been made in the monthly pay list, they are exactly repeated on his responsibility in the duplicate pay list which he has kept?—Yes.

117. If any alterations are made in the monthly pay list after it returns to the captain of the company, I understand that they are made "in black ink in such a manner as not to obliterate the original entry," and they are "initialled by the officer commanding;" is that so?—Yes.

118. Then it is the duty of the paymaster further to "examine the duplicate pay list and note therein in red ink any errors that are detected in such a manner as not to obliterate the original entries"?—Yes, that is the system.

119. Then the paymaster, within a week of their receipt, returns to the officer commanding, does he not, the duplicate pay list, and also the duplicate pay list of the preceding month, which has been sent to him for comparison, together with any observations as may be necessary?—Yes.

120. Finally, with respect to the examination by the War Office, let me ask you, does the War Office examine all of these company pay lists, or only part of them?—Only part of them.

121. It tests them to the extent of 25 per cent.?—Yes.

122. Under this system the Comptroller and Auditor General points out that 75 per cent. of the charges for the pay of the Army do not come under the direct examination of the War Office?—Not in detail. They come to us, and of course we can examine what we like of them; but our plan is to examine 25 per cent., unless such an examination shows any looseness in the preparation of the accounts, and then we examine the whole of the accounts. If we see that the accounts have been unsatisfactorily rendered, then we examine the whole of them; but if by the test we see that the work has been done satisfactorily we give up the other 75 per cent.

123. (To Sir *C. L. Ryan.*) What amount of test have you applied to these company pay lists?—The test which we applied in the course of last year was 13 per cent.

124. Thirteen per cent. of the whole?—Yes.

125. You have not confined your examination to the 25 per cent. examined by the War Office, but you have examined some of the whole number of the pay lists?—We have examined 13 per cent. of the whole.

126. Is it amongst the 75 per cent. that were not examined by the War Office that you say you have only found one case of overcharge?—Yes.

ARMY APPROPRIATION ACCOUNT.

Vote 1.—Examination of Pay Lists—*continued.*

Chairman—continued.

127. So far that is very satisfactory?—Yes.

128. (To Mr. *Knox.*) I gather that you at the War Office are satisfied with the examination by the station paymaster of those pay lists, and that you consider that he is sufficiently independent to be an effective check upon the accuracy of the company pay lists?—He is completely independent of the companies' charges. Nothing that could arise upon those companies' charges would affect him either one way or the other. We examine them to see that he has done his work of examination properly.

129. (To Mr. *Ryder.*) It is obvious from the letter upon page 186 that the Treasury very carefully considered this alteration of system?—They did.

130. Would you say that on the whole the Treasury approve of the change?—Yes, they do upon the whole.

131. I observe that you think that there will be a net saving, estimated at 37,300 *l.* per annum, in the effective and non-effective cost of the Pay Department, and a lightening of the work of the Department?—That is the estimate of the War Department, which the Treasury accepted.

132. And I see that the Treasury wrote that they thought that the new arrangements would tend to make the check exercised by the Secretary of State through the Financial Secretary over the details of Army expenditure more rapid and effectual, and to extend the field of its direct application?—We thought so, mainly because of the independent position given to the station paymaster, which has been already referred to by Mr. Knox; and then, further, because the pay lists themselves would be examined to a certain extent at the War Department, instead of the monthly compilation from the original pay lists.

133. I think on the 10th of January last year you expressed the hope, in a letter to the War Office, "that no measure will be introduced diminishing the check which the Secretary of State exercises through the Financial Secretary over the details of Army expenditure until such measure has been fully considered, both by this Department and by the Public Accounts Committee on behalf of the House of Commons;" but I gather that you were so far satisfied after examining the system that the Treasury did not think it necessary to consult the Public Accounts Committee?—Yes. If we had thought that there would have been any diminution in the check we should have felt that the Public Accounts Committee ought to have been consulted beforehand, but we were satisfied that there would not be any such diminution, and, therefore, we approved in anticipation of the concurrence of the Public Accounts Committee. (Mr. *Knox.*) Perhaps I should say that the examination of this portion of the accounts occupies the time of just as many men as the examination of the old accounts did. We have used the establishment which we had for examining the old form of accounts, and completely exhausted it in examining this portion of

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ARMY APPROPRIATION ACCOUNT.

Vote 1.—Examination of Pay Lists—*continued.*

Chairman—continued.

the accounts, and if we were to apply a full examination we should have to increase that establishment threefold.

134. (To Mr. *Ryder.*) I observe in the Treasury letter of the 13th April 1889 general approval of the scheme was given conditionally; you required that satisfactory replies should be given to certain queries which you had raised, and you said that you were not quite satisfied on one point of detail; have you had any answer as regards that point of detail?—We have not yet had any answer. We drew attention to the absence of an answer as regards extra duty pay to adjutants, and the War Department promised us an answer the other day.

135. That point will, perhaps, arise better on the consideration of paragraph 15; but coming to the points you raised in this letter of the 13th of April, you there expressed a doubt with respect even to the pay of assistant adjutants, as to whether it did not admit of some reduction; I think that in the previous letter you had confined your suggestions to captains and lieutenant adjutants?—I think we had really approved of the extra duty pay to assistant adjutants in the letter of the 25th of March 1889, on page 185, and I think it was not quite correctly expressed in our later letter. I think we ought to have said that the Treasury was not quite "sure that the extra duty pay proposed for adjutants does not admit of reduction."

136. Then that is really the same point that will arise on paragraph 15?—Yes.

137. (To Mr. *Knox.*) With respect to the point raised in the last paragraph but one of the Treasury letter of the 13th April, I think you have not yet informed the Treasury what is to be the cadre of the reconstructed Pay Department?—No, we have not; it has not been possible up to the present time really to think it out. We know the total number of officers we shall require, but their distribution in the various ranks has not yet been settled.

138. With respect to the point mentioned in the last paragraph of their letter, the Treasury suggest that the station paymaster should retain one copy of the pay list for a certain time in order to check the next month's list; is that object attained sufficiently by what you just now stated, namely, that the captain of the company has to send the last month's pay list with the present?—Yes, that is to meet the objection; it arose of necessity in the working of the scheme.

139. (To Mr. *Ryder.*) Does that satisfy you?—It seems to be satisfactory.

140. (To Sir *C. L. Ryan.*) Have you any remark to make upon this point?—No.

Mr. *Arthur O'Connor.*

141. (To Mr. *Knox.*) Can you say approximately what is the amount of the expenditure which is annually represented by the company pay lists?—I should think about three millions.

142. They are not examined in detail in the War Office?—No, not in the War Office.

143. They are examined exclusively by out-officers of account?—Completely by out-officers of account.

144. The examination which you give to the accounts of the paymasters, as I understand, extends to 25 per cent. of them?—Not to the accounts of the paymaster, but the accounts of the captains of companies; the paymaster makes other payments or disbursements besides those of the captain, which are accounted for in the company pay lists, and these are examined in their completeness.

145. Then the amount involved being, say, three millions in round numbers, 25 per cent. of the accounts in which the charges appear are examined, or, at all events, copies of them are examined in the War Office?—Yes.

146. (To Sir *C. L. Ryan.*) I understand that you or your officers have examined 13 per cent. of the same accounts?—That is what has been done in this one particular year; but the Committee will understand that that is not the normal rate of examination; next year probably the quantity will not be so much.

147. Did you take the same pay lists or accounts as had already been examined by the War Office, or some of them, or did you confine yourself exclusively to those which had not been so examined?—I think it ranged over the whole.

148. So that some of those which you examined had been already examined by the War Office, and so were examined twice over?—Yes.

149. The only one in which you found an overcharge had not been previously examined at the War Office at all?—That is so.

150. I observe you say that "it may be remarked further that only one case of overcharge has been brought to light as to which it might be inferred that the War Office examination, if it had been applied, would have detected what the local examination failed to discover;" in that single case of overcharge could you say what the amount was?—Four pounds.

151. Some of your work was a duplication of what had already been done by the War Office?—Yes.

152. Did your officers find that the War Office officials had failed to discover any errors?—No, practically not; this paragraph says so.

153. Then it is clear that this work of examination need not be done by two sets of officials, one after another, and that any such system would be waste?—I can only answer for my own office in this matter.

154. At any rate, so far as you did examine the War Office Accounts, which had been previously examined at Pall Mall, the result was nil, inasmuch as you found nothing which the War Office had overlooked?—In the only case in

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ARMY APPROPRIATION ACCOUNT.

Vote 1.—Examination of Pay Lists—*continued.*

Mr. *Arthur O'Connor*—continued.

in which I found an overcharge it had not been examined at the War Office.

155. So that you were playing "longstop" to the War Office, and not a ball came to you?—Quite so.

156. Then, so far as your examination of the accounts previously examined by the War Office went, it was not only unnecessary, but it was absolutely unfruitful?—Yes.

157. We may assume, then, that that re-examination is not desirable?—I think that that really does not express my answer fairly, because my examination did not find out this particular point, but it found out all the other points which are put under Vote 1 here as the result of the test examination. There are several other things brought out here. It was not merely a question of the form of the pay list and the information upon the pay list; the examination given to Vote 1 did discover several points, because the examination was not confined to the form, but went into the questions of authority. It was a detailed test, so far as it went, and does raise other points, as well as the particular point as to the form of the pay list.

158. Clearly that is so, but I do not see that that substantially modifies what we have already got; the point I want to get at is this: if there is an examining staff at the War Office capable of testing this work, what is the use of your examining it, or, if you have an examining staff capable of testing this work, what is the use of the War Office employing a staff for the same purpose?—As to the use of my examination, it depends upon the question whether Parliament wishes to have the security of an independent examination for the correctness of the War Office Accounts or not. I do not answer for the War Office; they must answer for themselves.

Chairman.

159. Does not the same question arise with respect to the various Departments, that whilst each Department must be satisfied as to the accuracy of its own accounts, and must therefore conduct its own examination up to whatever point it may think fit, such as a test examination, for example, up to 25 per cent. of the accounts; on the other hand, there must be a separate audit quite independent of the Department, and your examination is of that character?—My examination is directed to assuring Parliament that the accounts are properly examined and are correct. I have nothing whatever to do with the amount of test that the Department itself gives; that is its own responsibility. I exist only for the satisfaction of Parliament, and not for the protection of the Department.

160. At the same time I presume it may be your function to criticise any examination which the War Office conducts, in order to show that it is not an efficient internal or departmental examination?—When the War Office makes a very

ARMY APPROPRIATION ACCOUNT.

Vote 1.—Examination of Pay Lists—*continued.*

Chairman – continued.

considerable change, such as has been made in this kind of case, I should think it my duty to point out as a matter of fact what the results of my subsequent tests upon the War Office previous examination have been.

Sir *John Lubbock.*

161. If you make this examination, do you think that it is worth while that there should be a separate examination of these particular accounts by the War Office; is it necessary that they should be examined twice over?—It is impossible, I think, that the War Office could rely upon any external examination for their satisfaction with regard to their own accounts, and their own accountants. If the War Office did not do it, either there would be no examination at all beyond that of the station paymasters, or full reliance would have to be placed upon the external examination. The external examination is in the nature of a limited test; it is undertaken once in two years, or three, or four, or even six years, leaving an interval without examination; and it is done entirely for another purpose, namely, the Parliamentary purpose, and, therefore, in no way replaces that touch which every department ought to have upon its own sub-accounting officers.

Chairman.

162. Take, for instance, the current year; having this year examined in detail Vote 1, you would not, I presume, conduct an examination into the details of these pay lists in the current year such as you conducted last year?—As a rule, an account once examined is not taken up again till the others have been gone through. If there are particular reasons or circumstances making it desirable to go on two years running upon an account, that may be done sometimes, but not as a rule.

163. If the War Office dropped its examination of 25 per cent., there would be no check whatever upon the station paymasters except your general audit in a year in which you devoted your detailed examination to some other Vote?—Only under the appropriation audit which, of course, goes on always.

Sir *John Lubbock.*

164. Then, as I understand, you base your opinion mainly upon the fact that your audit only takes place once in four or five years, whereas the examination of the War Office takes place every year?—I should base it mainly on the ground that it is conducted for a different purpose, and for the satisfaction of a different body. My examination is for Parliament, and the War Office is for itself and the Secretary of State.

Mr. *Salt.*

165. (To Mr. *Knox.*) We have been told that a considerable saving, I think it was 37,000 *l.*, has been effected by the change; how is that

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ARMY APPROPRIATION ACCOUNT.

Vote 1.—Examination of Pay Lists—*continued.*

Mr. *Salt*—continued.

saving effected?—By the reduction in the number of paymasters. Every regiment had a paymaster before; now one or two paymasters are sufficient to pay three or even four regiments.

166. When a regiment goes on service, what happens?—The company pay lists will be rendered to the station paymaster just in the same way. The captains of companies will receive their cash from the most convenient officers; there would be officers with cash at all the different stations, and the company officers will receive their money from these officers and send in the accounts to the station paymasters, the station paymasters being informed of the advances that have been made to various companies and regiments.

167. What do you do with the paymasters whom you do not want?—We were in this condition, that we did not know very well what the future arrangement was to be, and we had a large number of officers who were appointed paymasters for a limited time, for five years, with a view to either continuing their services as paymasters, if required, or reverting to the regiment if not required, giving them also the right of returning. At the end of five years a very large number of these men reverted to their regiments, so that the establishment was brought down.

Mr. *Wodehouse.*

168. Has the work of examination at the War Office been increased by the change?—No; we have the same staff as before, but with that staff we are only able to examine 25 per cent. of the accounts, inasmuch as we receive now twelve accounts where we had only two formerly.

169. (To Sir *C. L. Ryan.*) Do you contend that the War Office ought to examine the whole of the accounts, instead of only the 25 per cent.?—I express no opinion upon that; the extent to which the War Office examine their sub-accounts is a matter for them.

170. You are apparently of opinion that the examination of only 25 per cent. by the War Office, even with the addition of your examination, is not sufficient to secure perfect accuracy?—No; I thought it right to call attention to the fact that this is a very small examination by the War Office itself of a very large field of expenditure. The extent to which it goes is not a matter for me. In making a change of this sort I should not, I think, have been acting in accordance with my duty had I not put Parliament in full possession of the facts.

171. And placed before them what you believe to be the imperfections of the system?—Yes.

Sir *Walter Barttelot.*

172. (To Mr. *Knox.*) Are they depôt centre districts to which these paymasters are appointed?—The larger number of them are there, but there are others at other places. Of course at Aldershot we have a large number, and at all the camps and other stations where, not being stations for district paymasters, there are two or three corps.

173. At Aldershot you naturally have a larger number; let me put the question in another way: how many regiments do you think that a man can properly look after as district paymaster?—I think that a couple of officers working together could look after five or six regiments.

174. When you say working together, do you mean two paymasters?—Yes, two paymasters.

175. How would they divide the work; you say that a couple of paymasters would be able to manage five regiments; would one of those paymasters have two-and-a-half regiments to look after, and the other two-and-a-half regiments?—When the work is brought together into an office like that it works in a very different way from the old regimental system; the office work falls into definite lines, and it would divide itself according to the convenience of the officers.

176. But surely you make one of those officers answerable for the correctness of the accounts of certain regiments?—The senior officer is the officer who is responsible; the other man is assisting him.

177. Then, in fact, one officer is subordinate to the other and merely an assistant?—Quite so, that is the position.

178. Sir Charles Ryan stated that as regards the account in which he found a mistake the overcharge was 4 *l.*; what would have been the whole of the amount of that account?—I cannot say.

179. I presume it would be on a company's pay for one month; it is rather important to know what the whole amount was; an overcharge of 4 *l.* on a company's pay for a month might be a fairish amount, but if it is more than that mixed together, then of course it would be a very different thing?—I do not know what the objection was.

180. (To Sir *C. L. Ryan.*) I gather that you are perfectly satisfied that with the check of these new district paymasters making their investigations in the way that they do, together with the check of the War Office, and with you making your own check in addition; you think that amply sufficient for accounts of that kind?—So far as I am entitled to express any opinion at all upon the question, I think I should be satisfied.

Mr. *Arthur O'Connor.*

181. (To Mr. *Knox.*) Is the present paymaster's list like the old depôt battalion pay list, with a separate list for each command, or company, or regiment, and with a separate general statement of the staff and other matters of that kind?—The company pay list comes in as a separate document; it becomes a voucher to the account of the paymaster. It is not embodied in the account

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ARMY APPROPRIATION ACCOUNT.

Vote 1.—Examination of Pay Lists—*continued.*

Mr. *Arthur O'Connor*—continued.

account of the paymaster; but his account shows the total sums disbursed for pay, good conduct pay, &c., and these are the charges which are examined to the amount of 25 per cent. The general charges are entered in detail of his account, and these are all examined as involving his cash responsibility.

182. Then is his account proper only a couple of folio pages?—No; because all this expenditure which is included in these pay lists has to be classified by him.

183. Under all the Votes?—Yes.

184. Effective and non-effective?—In the company pay lists there are no non-effective charges.

185. Is the district paymaster responsible for non-effective charges; does he pay pensions?—No; that is to say he does in a certain sense, but he pays them through the Post Office; he has no cash account as regards pensions.

Mr. *Donald Crawford.*

186. You said just now in answer to Mr. Wodehouse that the War Office receive now 12 accounts instead of two as formerly; probably it is explained in the paper, but I have not happened to observe it; would you tell me what are the two accounts which they previously examined, in place of which they now receive 12 accounts?—The 12 accounts are the accounts which are rendered monthly; formerly the account came in only once every half-year.

EVIDENCE OF EXAMINATION OF PAY LISTS.

Chairman.

187. We have already heard that the company pay lists are sent to the station paymasters in duplicate, and that the copy which is sent on to the War Office with the monthly account is not the one which bears the signatures of the men. The Comptroller and Auditor General suggests that it would be more satisfactory for the purposes of audit if the pay list bearing the signatures of the men were the pay list which was kept at the War Office, which the War Office examines and which he also audited. I see that the objection made on the part of the War Office is that it is necessary that these duplicate pay lists should be kept by the officers commanding troops, batteries, and companies, in order to enable officers commanding regiments, and general officers commanding to dispose of complaints made by soldiers, and also for production at Courts of Inquiry and Courts Martial; is that the only reason?—That is one reason, and I suppose perhaps the strongest reason; but there is also this great difficulty, that the signatures of the men are not always obtainable because a very large number are detached to various duties. It would delay the rendering of the account very much indeed if it was to wait until all those signatures could be collected. We require, with

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Vote 1.—Evidence of Examination of Pay Lists—*continued.*

Chairman—continued.

a view to working this monthly system satisfactorily, that the monthly accounts shall leave the office of the captain of the company four days after the end of the month, and unless that is regularly done the whole gain and advantage of the system would be lost.

188. Would it not be more satisfactory for the purpose of audit if eventually those receipted pay lists came to the War Office for examination and for audit?—If they came when they could come without any great inconvenience they would be three or four months in arrear, and that would really cause the loss of all the advantage we gain by adopting the monthly system.

189. At all events they would be available for the audit of the Comptroller and Auditor General, would they not?—The Comptroller and Auditor General certainly might have them if he were satisfied with those that were sent in considerably in arrear.

190. (To Sir *C. L. Ryan.*) Would it meet your view if, after three or four months, the duplicate pay lists came into the War Office with the receipts of the men upon them, and then, when your audit came, those were the lists which you saw?—Yes; I think so, because our audit does not follow so very closely upon the actual payment as to make that delay one which would signify much. We can run our examination from one half-year into another half-year, or even into another financial year for the purpose of examination.

191. From your point of view I gather that the pay list which you see is not altogether a satisfactory voucher?—No; I should very much prefer to see the list with the signatures of the men.

192. It is only in that way that you would have a perfectly sufficient check upon the paymaster?—Yes.

193. (To Mr. *Knox.*) Perhaps the War Office would consider that question, and inform the Committee whether it can be adopted?—I will bear the matter in mind.

Sir *Walter Barttelot.*

194. Might it not be much more reasonable to ask that these accounts should be examined in the district under the superintendence of the officers of the district, so that you would have the guarantee of the general in the district that all these accounts were properly paid?—But that is what is done by the district paymaster.

195. Then surely you do not want any more supervision at the War Office?—Our examination is only a test examination.

196. Then it resolves itself into this, that you cannot trust the captain of companies, you cannot trust the paymaster, you cannot trust the general of the district, but it must come to the War Office?—Of course the general cannot possibly go into the details of an account like that.

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ARMY APPROPRIATION ACCOUNT.

Vote 1.—Evidence of Examination of Pay Lists—*continued.*

Chairman.

197. What you need is a check upon the station paymaster?—Our test examination is a check to see that the station paymaster has been doing the work diligently of examining these company accounts.

IRREGULAR ISSUES OF SERVANTS' ALLOWANCES TO GENERAL OFFICERS.

Chairman.

198. The Comptroller and Auditor General has pointed out that general officers who already receive the services of two soldier servants have also drawn servants' allowances concurrently; I think that is admitted to have been an irregularity?—Yes; it was misunderstood by several general officers. I do not think that (as seems to be the opinion of the Comptroller and Auditor General) it has lasted for any great length of time; I think that these officers were extending the principle which applies to officers who were allowed to have one horse only. In those cases the officers have for some time been allowed an additional servant beyond the number for whom they could draw servants' allowance, and the generals extended that principle to themselves in these cases.

199. The War Office do not seem to have discovered this practice on the part of the officers till attention was drawn to it by the Comptroller and Auditor General?—No; but now it is governed by a regulation that they are to be allowed the service of a servant in addition to the number for whom they claim allowance; that is to say, the practice has been confirmed by Regulation.

200. Was it, in the opinion of the War Office, necessary that they should have this further allowance in addition to the liberty to employ two soldier servants?—Yes, it has been so considered.

201. (To Mr. *Ryder.*) Has the Treasury approved of the new Regulation?—The Treasury has approved of the new Regulation under which each general officer may have one more servant, but not money in lieu; that is, he must employ the servant; he cannot take money instead.

202. In that respect, then, there is a change, because formerly the allowance was given in money?—The officer could take the money or the man, but this additional service must now he taken in kind; he cannot take money instead. (Mr. *Knox.*) That was what was being done, and was really contrary to the letter of the Regulations. It was objected to by the Comptroller and Auditor General, and attention being thus drawn to the question, the point has been conceded to the officers.

203. (To Sir *C. L. Ryan.*) Do you wish to say anything further upon this point?—It seems to have been set right by a formal regulation, which I was not aware of.

ARMY APPROPRIATION ACCOUNT.

EXTRA DUTY PAY OF ADJUTANTS AND ASSISTANT ADJUTANTS.

Chairman.

204. (To Mr. *Knox.*) The next paragraph brings us back to the question of the duties thrown upon adjutants and assistant adjutants in consequence of the adoption of the system of monthly pay lists; the first question I would like to ask you is, whether you have any answer to make to the suggestion of the Treasury that these payments by the Station Paymasters might be made direct to the captains; they raise a doubt in their letter of the 13th April as to whether at the bottom of page 186 it is necessary that the money should pass through the adjutants to the captains?—All those points have been very carefully considered by those who under me have been practically testing this system, and very great pains have been taken to ascertain how the plan can be best worked, and they have come to the conclusion that there must be one officer in each regiment who should receive the money and distribute it to the captains.

205. That involves apparently giving extra pay to adjutants and to their assistants?—Yes, and that has been sanctioned now.

206. You have given, I think, no answer to the letter from the Treasury of the 25th of March, which appears on page 185, in which there is a doubt expressed about the necessity of giving the precise rate of extra duty pay to captains and lieutenant adjutants, as proposed by the Secretary of State?—We have been in correspondence with the Treasury since that, and the Treasury somewhat reluctantly have approved of those rates which are included in the Warrant. (Mr. *Ryder.*) I rather think there must have been some misapprehension there. My own impression is that we have asked for a direct reply to our question, and have suspended our approval of the new regulations pending your reply. (Mr. *Knox.*) I understood that the Treasury approved of it. However, these are the rates which the military members of Committees who have inquired into the matter have distinctly stated they think ought to be given; and that is also the view of the financial authorities at the War Office.

207. Perhaps before the Committee reports we shall hear what has been the reply to the Treasury and the decision of the Treasury upon the matter?—Yes. I was under the impression that it had been sanctioned.

PAY OF INFANTRY OFFICERS ON MOUNTED DUTY.

Chairman.

208. (To Mr. *Knox.*) The Comptroller and Auditor General raises a question as to the rate of pay to officers of infantry employed on mounted duty with troops acting as mounted infantry who have a horse from the ranks; was it quite regular to pay them at the rate at which they have

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ARMY APPROPRIATION ACCOUNT.

Pay of Infantry Officers on Mounted Duty—*continued.*

Chairman—continued.

have been paid?—These officers provided a horse themselves. It is quite true that it was necessary to have two horses; they were supplied with one at the public expense, and they provided the other themselves, and that was held to be sufficient under the conditions of the Warrant to entitle them to the pay.

209. When the Warrant says, "not mounted at the public expense," does not that mean that the horse is to be provided at the expense of the officer?—No; it has been held that if they are mounted at the officer's expense to any extent that covers it.

210. The expense is not so great to the officer if the horse comes from the ranks, I suppose?—The expense of providing himself with one horse is not diminished if he has another from the ranks.

211. The second horse comes from the ranks?—Quite so.

212. Has a new Warrant been framed to meet the point?—No; the case has been held to come within the Warrant.

213. Would you tell us what is the wording of the Warrant?—"An officer of Infantry employed on mounted duty with troops acting as mounted Infantry, and not mounted at the public expense, may, subject to the previous approval of Our Secretary of State, be granted the difference between the Cavalry and the Infantry pay of his rank." He is mounted partly at the public expense and partly at his own expense; that is the fact of the case.

214. (To Sir C. *L. Ryan.*) You held that that did not come within the definition of being "mounted at the public expense"?—Yes; I thought that "not mounted at the public expense" meant that there was no portion of the expense of mounting borne by the public. One-half of the expense is now borne by the officer, but the other half is not.

215. (To Mr. *Knox.*) I gather that the War Office hold an opposite view?—Yes; it is always the practice in the Army, whenever an officer performs mounted duty, and provides in any way for that mounted duty at his own expense, that he shall get more than the ordinary pay of an Infantry officer.

EXTRA DUTY PAY TO WARRANT OFFICERS NOT AUTHORISED BY ROYAL WARRANT.

Chairman.

216. It seems that some irregular extra duty pay has been given to certain warrant officers acting as garrison serjeant majors at Sierra Leone and Natal; have you obtained Treasury permission to write off this amount as abandoned?—It has been settled, I believe, in that way. The question has been settled by our obtaining a Warrant to deal with such cases in future under

ARMY APPROPRIATION ACCOUNT.

Extra Duty Pay to Warrant Officers not authorised by Royal Warrant—*continued.*

Chairman—continued.

which an officer employed as acting in any superior position shall receive the difference between his own rate of pay and the pay assigned to that position.

217. (To Mr. *Ryder.*) Have the Treasury anything to say upon that point?—Mr. Knox has correctly described the new Article. I have only to add that we do not hold that the new Article would cover the payment in the case of Sierra Leone because that payment was more than the difference between the pay of the two ranks. We have, therefore, suggested to the War Department that if the officer who received the payment ought not to be made to refund it, the case should be submitted to the Treasury as an abandoned claim. (Mr. *Knox.*) I cannot remember whether this case has been submitted, but of course if the Treasury wish it should be submitted, that will be done. It appears to me that if this non-commissioned officer were deprived of this pay he would be very hardly dealt with.

218. I see that the Comptroller and Auditor General states that he has had no answer to his communication relating to Natal, or to his inquiries as to the question of relieving the Vote of the unauthorised charges in both cases; I presume he will now receive a reply?—Certainly.

OVER ISSUES OF WORKING PAY.

Chairman.

219. This also seems to be a case of unauthorized payment; has the Treasury given permission for these amounts to be written off?—We have applied, I think, to have them written off, and I believe that has been sanctioned. (Mr. *Ryder.*) The Treasury has sanctioned the abandonment of the claims in the cases referred to in paragraph 18 of the Comptroller and Auditor General's Report.

220. (To Mr. *Knox.*) How comes it that these over-payments had not been discovered at the War Office, as I gather to be the case?—They had been considered some years ago. They were special to these particular districts, and approved before the recent Regulations had been issued. It was deliberately done; they were allowed to go on although they were in excess of the Regulation which was made subsequently to the approval of the rates; they were passed on the old authority.

221. They went on after the new Regulation had been made?—Yes; to the men then drawing them.

222. With the knowledge of the War Office?—Yes.

Mr. *Arthur O'Connor.*

223. Did the War Office recognise or admit that the payments were irregular after the sanction given in 1876 by the Secretary of State?—No; the view that was held was that they were quite

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ARMY APPROPRIATION ACCOUNT.

Over Issues of Working Pay—*continued.*

Mr. *Arthur O'Connor*—continued.

regular because they had been so sanctioned. But I may say that these various objections have been set right in a way which, I think, is remarkable, and is worthy of the attention of the Committee, and illustrates what I have frequently said with regard to these matters. The result of this objection has led to the issue of a new Regulation, which publishes to the world that the Secretary of State may alter and exceed the limits of the present Regulations whenever he likes; and that has been the result of a great number of the objections made by the Comptroller and Auditor General to irregular payments. Now, I have no doubt we shall be overwhelmed by applications from every centre in this country, and from all parts of the Empire to come under special Regulations. We have dealt with such special exceptional cases as are mentioned in the Report, at Bermuda, and such out of the way places, by sanctioning a rate for the particular case. But now the whole Army knows that the limit of working pay which the Regulations laid down have gone, and that is the result of these two queries by the Comptroller and Auditor General.

224. Is there any reason to suppose that the Secretary of State would be found to be very squeezable?—Certainly; he is always squeezable when he has a discretion.

Chairman.

225. But the Secretary of State takes this step on his own responsibility, does he not. Your answer seems to throw upon the Comptroller and Auditor General the responsibility of the Secretary of State taking the course of issuing new Regulations or Warrants, giving himself the power of making exceptional payments?—That is the only way to get over the difficulty which is raised by the Comptroller and Auditor General.

226. The responsibility for that must rest upon the Secretary of State?—Of course he becomes the responsible officer, but he is driven to do this by the action of the Comptroller and Auditor General.

227. Because the Comptroller and Auditor General in the discharge of his duty calls attention to payments which are not authorised by Royal Warrants?—Yes; it is necessary now, therefore, in order to comply with these conditions, to publish this special Regulation.

228. What is the language of the Regulation?—That the rates laid down in the Warrant may be exceeded under any special circumstances which the Secretary of State may sanction. Such a power I think he should hold, but it should not be published in the Warrant. The Comptroller and Auditor General holds that it must be published in the Warrant.

Mr. *Arthur O'Connor.*

229. Why would not the decision of the Secretary of State, with regard to the particular case, meet the requirements of the case?—I do not know.

230. Where is the necessity to make a general Warrant?—Because the Comptroller and Auditor General requires it.

Sir *Richard Temple.*

231. (To Sir *C. L. Ryan.*) Would the Comptroller and Auditor General explain why he required it?—The Comptroller and Auditor General requires nothing except a conformity to the Regulations. If he finds a Regulation broken he points it out. No responsibility rests upon him as to the decision which the War Office came to as to the desirability of continuing the rates at the higher rate or of reducing them and keeping them at the lower rate.

232. But would it not be better to sanction particular cases when it arises than to publish a Warrant?—It is entirely out of the power of the Comptroller and Auditor General to express an opinion as to the desirability of continuing the higher rate; he is bound to report the fact. He cannot constitute himself a judge and say the circumstances are exceptional, and therefore you may go on with this payment though it is irregular. That is quite out of his functions.

233. (To Mr. *Knox.*) Then the question really comes upon the Secretary of State, and the Secretary of State need not have issued this empowering Warrant, I presume?—He must have done so to make it regular; he has no power under present rules to exceed any Regulations.

Sir *John Lubbock.*

234 Would it not have been possible to make a special Regulation to apply to Sierra Leone without making it a general Regulation?—Certainly such a Regulation might have been made.

235. That would not have been open, would it, to the objections you have suggested?—No.

236. And it would still have met the objection raised by the Comptroller and Auditor General; it would have placed the Warrants upon a regular footing?—It would.

Chairman.

237. (To Mr. *Ryder.*) Have the Treasury sanctioned any Warrants giving this dispensing power to the Secretary of State?—I think that Mr. Knox's evidence might lead the Committee to infer that the discretion that has been given to the Secretary of State in these matters was rather wider than what the Treasury has actually sanctioned. The War Office submitted to the Treasury a draft Article under which an unlimited discretion would be given to the Secretary of State; but the Treasury, in its reply, approved of the proposed draft Article provided the following words were added to it:—"Provided that in no case shall more than the first rate be given to a soldier who is a skilled artificer nor more than the second rate be given to a soldier,

ARMY APPROPRIATION ACCOUNT.

Over Issues of Working Pay—*continued.*

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ARMY APPROPRIATION ACCOUNT.

Over Issues of Working Pay—*continued.*

Chairman—continued.

soldier who is not a skilled artificer." The first rate is 2*d.* an hour, and the second rate is 1½*d.* an hour. Therefore the Secretary of State cannot exceed those rates, and we have not given any unlimited discretion to the Secretary of State.

238. (To Mr. *Knox.*) Has the Warrant been adopted in the altered form and then sanctioned?—Yes.

239. The alteration suggested by the Treasury was embodied in the Warrant, I presume?—That I cannot speak to definitely.

240. (To Mr. *Ryder.*) Can you tell us whether that was so?—I will inquire; I think that the Warrant has not been issued yet.

241. It could not be issued without the consent of the Treasury, and, as I understand, the Treasury would not give its consent without that limitation?—We should take it for granted that our condition had been complied with. I do not think we should in every case see a revise of the article.

242. You would, I presume, if your condition was not fulfilled?—Yes, most certainly we ought to. (Mr. *Knox.*) What I am not quite clear about is whether that is a condition that would be inserted in the Warrant. It would be an understanding. (Mr. *Ryder.*) We asked that those words should be added to the article.

243. (To Mr. *Ryder.*) Doubtless the Treasury will inform us further upon that matter?—Yes.

EXCESS OF WORKING PAY AT BERMUDA.

Chairman.

244. (To Mr. *Knox.*) The Comptroller and Auditor General reports that an excess of working pay has been given at Bermuda to the amount of 124 *l.* 12 *s.* 8 *d.*, and he suggests that it would be necessary to have a better administrative arrangement by which rates of pay based upon obsolete instructions may be speedily brought into harmony with those prescribed by current regulations; have any steps been taken to meet that point?—That has been effected by this alteration in the regulations to which I have just referred.

245. The same Warrant, I understand, applies in both cases?—Yes.

246. (To Mr. *Ryder.*) Has the Treasury given its sanction for these excesses of working pay?—In the case of Bermuda, a special sanction has been given by the Treasury.

247. Until what date does that extend?—Until the 31st of March 1891.

248. (To Sir *C. L. Ryan.*) Have you any remark to make upon this point?—No; I understand it will now be set right by regulation.

ARMY APPROPRIATION ACCOUNT.

PAYMENT OF DEFERRED PAY IN RESPECT OF A PERIOD OF ABSENCE FROM THE ARMY.

Chairman.

249. (To Mr. *Knox.*) The Comptroller and Auditor General calls our attention to the case of H. Holdgate, a military staff clerk at Natal, who was discharged from the Army by purchase on the 31st of December 1875; it seems that on the 30th of April 1879 he obtained employment as a civilian subordinate, but became a military staff clerk on the 11th of November 1882; and further, that his discharge from the Army was cancelled by the Commander in Chief on the 2nd February 1883, and an undertaking was obtained from him that he would not claim pay and allowances for the period during which he was discharged from the Army. It seems, however, that he has now received deferred pay in respect of a considerable part of the time which elapsed between his discharge from the Army and the cancellation of that discharge. Will you explain to the Committee what was the reason for making that payment?—This case was a very peculiar case, being that of a man who had done very excellent service during the campaigns in South Africa. He held the position of chief clerk in the office of the general who had charge of the line of communications; he made himself very useful, and became, in fact, almost indispensable and did considerable service when attached to that office; he was not at that time a soldier serving on a soldier's engagement, although he was an old soldier. In consequence of his knowledge and experience as an old soldier he became the valuable man he was, but he served as a civilian in the office for some three or four years. He then was re-engaged or re-enlisted as a soldier and obtained a military status, and then served on for some time afterwards. It was thought that the man deserved some special recognition, a recognition which was very constant and usual in former times, in getting his former service allowed to count towards pension. Under the regulations that have been introduced consistent with short service the power to restore this service was taken away, and the only method of doing so in special cases has been now for some few years that of cancelling the man's previous discharge. That has been done in several cases where men have not been any considerable length of time out of the service, and this same method was resorted to in this case. I admit that it was an extreme case, and probably it would have been much better to have dealt with it in another way.

Mr. *Arthur O'Connor.*

250. He was discharged by purchase, was he not?—Yes, but it was usual in former times, whatever was the cause of the man's discharge, if he was taken back to allow that previous service to count if his subsequent service had been good and recognised. We are now in correspondence with the Treasury, asking them to revive the old practice of allowing the previous service given

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ARMY APPROPRIATION ACCOUNT.

Payment of Deferred Pay in respect of a Period of Absence from the Army—*continued.*

Mr. *Arthur O'Connor* —continued.

by an officer, who has been discharged, to count under special circumstances for the purposes of pension, without cancelling the discharge so as to revive more or less the old practice which was in existence in former times.

251. Would that old practice carry pay and pension in respect of the time when he was not in the Army?—Not pay; and this man did not have pay for the time he was not in the Army, but he was given deferred pay.

252. Would the system which you describe and which you are submitting to the Treasury provide for his having deferred pay in respect of the time when he was not in the Army?—Certainly not. I think that this issue of deferred pay was really a mistake; that is my view with regard to it. It was not a very large sum for a man who had done such good service (it amounted to 11 *l.*), but it was an irregular payment, I think.

253. But it might be very awkward as a precedent, might it not?—Not under the new regulation.

254. But I mean if you did not make a new regulation?—Certainly.

255. Let us not make any mistake with regard to this matter; deferred pay is now payable, as I understand, in respect of many periods when soldiers are in civil life, although they are actually still on the books; is that so?—No, not in civil life.

256. Suppose a man is discharged from his regiment and goes back into civil life, and is then called to the colours?—That is assuming he goes into the Reserve.

257. I understand he is entitled to deferred pay for that period when he was in civil life; he gets his twopence a-day arrears?—If he is recalled on an emergency I think he is entitled to it, but I am not quite sure.

258. Therefore, the payment of deferred pay in respect of the period passed in civil life is not, as I understand, altogether settled by the existing conditions of service?—No, except that in that case the man would be actually on our books as a reservist, and drawing his fourpence a-day, and would not have been discharged.

Chairman.

259 (To Mr. *Ryder.*) Mr Knox has told us that there is a correspondence going on now with the Treasury on this subject; what is the view that the Treasury take of the payment of deferred pay to Mr. Holdgate for the time when he was not in the Army?—I think that if it was brought officially before the Treasury the Treasury would hold that the payment was altogether anomalous. I think they would not approve of cases of this kind being dealt with by cancellation. They have not yet made up their minds as to the answer to be given to the War Office letter, which is now before the Department.

260 (To Mr. *Knox*) Can you tell us what is the authority from which the Commander in

ARMY APPROPRIATION ACCOUNT.

Payment of Deferred Pay in respect of a Period of Absence from the Army—*continued.*

Chairman—continued.

Chief derives the power of cancelling the discharge of soldiers?—There is no authority so far as the letter is concerned that I am aware of, but it is a practice which has been in existence for many years. It has not before involved, so far as I can remember, such consequences as those in Mr. Holdgate's case. Sometimes a discharge is completed, and it is found to have been, although absolutely completed, erroneous, and in those cases the discharge has been cancelled and set right, and the man perhaps has been called back and served for some few months longer.

261. I observe that no answer was given to the Comptroller and Auditor General's inquiry; do you wish to add anything on that point?—Our attention having been drawn to the matter by the query of the Comptroller and Auditor General, and it being observed that in a very large number of cases this cancellation had been adopted, though not involving such consequences in Mr. Holdgate's case, it was thought well that we should have some better understood regulations to deal with such cases; and in consequence of that we have submitted a proposal to the Treasury as to regulations for counting former service.

262. With respect to this particular case, what is it now proposed to do with respect to the payment to Mr. Holdgate of deferred pay?—I do not know that the War Office proposes to do anything, but of course, if it is disallowed by the Comptroller and Auditor General, and the disallowance is supported by this Committee, the man would be called upon to refund his pension, and his deferred pay, and anything that this Committee disallows.

263. Then perhaps it would be well to furnish to this Committee a statement of the precise services in respect of which it is proposed to make an exception in the case of this man?—Yes; I will have a statement prepared.

Mr. *Arthur O'Connor.*

264. Who was it that required a covenant to be entered into by this man that he would not claim pay and allowances in the period from the date of discharge to the cancelling of the discharge; was it the Commander in Chief or the War Office as distinguished from the Commander in Chief?—Inasmuch as it was proposed to cancel the man's discharge, he would be regarded as having continuously served from the time he enlisted.

265. But would he be entitled to a refund of the purchase-money?—No; no man has ever been allowed that. That is a view which might be advanced, but it never has been allowed.

266. Technically, surely it might be so?—Technically; it is not so in practice.

267. If he were discharged on purchase, and that discharge were cancelled, surely he would be entitled to be refunded such money as he had paid on purchase?—I can quite understand that

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ARMY APPROPRIATION ACCOUNT.

Payment of Deferred Pay in respect of a Period of Absence from the Army—*continued.*

Mr. *Arthur O'Connor*—continued.

view being advanced, but I do not think that it would be recognised; it certainly never has been.

268. However, it was considered necessary that some covenant should be entered into?—Yes.

269. Who was it required that covenant?—The man was out at the Cape, and it was, of course, required by the general officer there; but it was directed from the War Office.

270. They required it; it would be the Commander in Chief's Branch, I suppose?—I cannot say that I remember.

271. Whoever it was must have been aware that the circumstances were such that some special precaution had been taken?—Yes.

272. They were aware, I presume, that they were doing an unusual thing?—No; in all those cases in which discharges have been cancelled the men have always been informed that they will not receive the arrears of pay for the interval.

273. Quite so, but then here a man enters into a covenant; he must have signed a document?—I think that there was no such formal acceptance of the arrangement as that.

MANUFACTURE AND REPAIR OF STORES BY ORDNANCE STORE ARTIFICERS.

Chairman.

274. (To Mr. *Knox.*) The attention of the Comptroller and Auditor General was called at Devonport to the employment of the staff upon manufacturing operations of some magnitude; would it not be inconvenient if the payments for this employment of artificers were to be included in Vote 1?—The payment for those artificers is included in Vote 1.

275. Is not that an inconvenient course; the Comptroller and Auditor General points out that in this case Vote 12 becomes misleading, because Vote 12 bears the cost of materials alone for all such work, leaving wages to be provided out of Vote 1?—These establishments at the gun wharf ports are store establishments mainly employed in taking charge of stores there, issuing them to the ships, taking them back from the ships, overhauling them and doing any such small repairs as may be necessary to fit them to be returned into store at that station. That is the duty of the staff which is provided for in Vote 1. They are not manufacturing establishments in any general sense of the word, though I do not say that there are not some small things occasionally made there.

276. (To Sir *C. L. Ryan.*) You do not, as I understand, make any objection to the employment of these men on repairs, which is their proper function?—Certainly not.

277. What you call attention to is that manufacturing operations of some magnitude seem to have been conducted by the artificers there?—

ARMY APPROPRIATION ACCOUNT.

Manufacture and Repair of Stores by Ordnance Store Artificers—*continued.*

Chairman—continued.

In this particular case it was, so to speak, a personal query of my own. When I went to the Store Department at Devonport, I found that two or three large boats were being made there, and I asked whether they kept proper manufacturing accounts showing the cost and so on, and finding that that was not the case, I called the attention of the Secretary of State to it. I have had no letter or explanation from the War Office, and, therefore, I thought it right to notice the question in the Report. It was work clearly outside the work of repairing arms, and had nothing to do with arms. (Mr. *Knox.*) The work of those store men is not limited to arms; it extends to every store that the Army can require.

278. (To Sir *C. L. Ryan.*) You go on to suggest that some means should be taken, such as an account of cost and production, so as to give the means of judging whether such boats could be manufactured as economically in this way as they might be at Woolwich, or could be obtained as economically as they might be by purchase in the open market?—Yes. If manufacturing operations of that kind are to take place, I suggest that there should be manufacturing accounts in connection with them.

279. (To Mr. *Knox.*) Has this matter been under the consideration of the War Office?—These places are not recognised as manufacturing establishments, and I should imagine that such a thing as the manufacture of a boat such as has been described was quite an unusual thing. But if their work was to be of that character to any vast, or indeed any considerable extent, I can quite understand the query of the Comptroller and Auditor General.

280. But how comes it that there is no information forthcoming on the subject to which the Comptroller and Auditor General called attention in March 1889?—It may be that the Store Department has been very much occupied during the last year or so, and, under considerable pressure, it may have escaped attention.

281. Perhaps the next time that the Committee sit you will be provided with some answer?—I will make inquiry about it

Mr. *Arthur O Connor.*

282. How many of these gun wharves are there?—They are recognised as three, Devonport, Chatham, and Portsmouth.

283. As I gather from this Report of the Comptroller and Auditor General the officers there are rather store officers, their ordinary duties are those of the custody, issue, and receipt of stores, with casual repairing?—Yes.

284. Have these men any manufacturing experience?—They are artificers, and there are some highly-skilled men amongst them, no doubt.

285. Would you say that they are men of such manufacturing experience as would fit them to be

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ARMY APPROPRIATION ACCOUNT.

Manufacture and Repair of Stores by Ordnance Store Artificers—*continued.*

Mr. *Arthur O'Connor*—continued.

in charge of work such as is ordinarily done in military manufacturing establishments?—I think not in a large way.

286. And yet there is manufacturing carried on there?—Where there are shops where repairs are executed of course there are men who become qualified to do manufacturing in a small way.

287. Is the work which is undertaken there so undertaken at the discretion of these local store officers?—No; I should certainly take it not to be so; they must have an order for any service which is executed.

288. Does the order come from the Ordnance Factory Superintendent or Director?—No; it would be from the Director of Artillery.

289. At Pall Mall?—Yes.

290. What is there to check the unprofitable repairing of stores, which, in reality, are unsuitable if these men are merely store officers?—Nothing but the responsibility of the store officers; their main duty is the overhauling of stores and examining them as to their fitness for service.

291. It might well be, might it not, that much of the work done by these men, whose qualifications do not appear to be very great, would be done more cheaply at Woolwich, or, perhaps, would not be done at all, by more experienced officers?—I do not know that that can be admitted; the financial aspect of the system I have no doubt is considered by the Director of Artillery before he gives any orders of that kind.

292. I see here also the Comptroller and Auditor General mentions that "Although in the case of operations upon Naval Stores, which would be the subject of repayment, there was a complete record of cost in materials and wages, no such record was kept as regards Land Service Stores." Now being obliged to send forward claims against the Admiralty, I suppose against the Navy they were obliged to furnish forth something in the way of a statement of cost for labour and material?—Yes.

293. How were those claims arrived at?—By recording the expenditure upon wages and materials upon those repairs.

294. Then they have such a record?—Yes, for Naval Stores.

295. Why could they not do the same with regard to the Land Service Stores as well?—Of course it is quite possible, but it has not been regarded as advisable and necessary in that case. It is absolutely necessary in the case of Naval Stores, because the repayment has to be claimed from the Admiralty, but there is no such necessity in the other case.

296. Have you any separate account rendered of the cost of material employed in these places, and of the wages paid?—Not at those outstations.

297. Would it be possible to render an annual account of the consumptinn of material, and the amount of money paid in wages for manufacture

ARMY APPROPRIATION ACCOUNT.

Manufacture and Repair of Stores by Ordnance Store Artificers—*continued.*

Mr. *Arthur O'Connor*—continued.

or repair at those places?—It is quite possible, but it has been avoided as being unnecessary, and not likely to serve any useful purpose, and as involving some expenditure.

298. You have such a return, I understand, for the Ordnance Factory?—Certainly.

299. If you have already records made in respect of Naval Stores it would not involve, would it, much addition to the work of the staff to keep a record in respect of Land Service Stores?—I cannot say how much, but it would certainly involve some considerable addition to the work.

300. In fact, you have now no separate account, and no complete record is kept as regards the Land Service Stores?—No.

301. There is a record kept of a fragmentary kind which might, perhaps, be supplemented without much difficulty?—Of course there is a record kept of the expenditure in wages, but how much of those wages is to be allocated to the various services there is no such record to show, nor is there a record to show how much of the materials issued was for the particular services. Of course that could be done, but it would take time and labour; it would be an elaborate account.

302. It is true to say, is it not, that wages are provided for this repairing and manufacturing work out of Vote 1 instead of out of Vote 12?—Certainly.

INSUFFICIENT VOUCHING OF CHARGES FOR EGYPTIAN TELEGRAMS.

Chairman.

303. (To Sir *C. L. Ryan.*) I understand with respect to the insufficient vouching of charges to the amount of 4,135*l.* odd for telegrams sent between August 1882 and May 1883, in connection with the operations of the Army in Egypt, you think that that sum may be fairly admitted?—I think so under all the circumstances.

Mr. *Lane.*

304. (To Mr. *Knox.*) How is it that this settlement of accounts for telegrams sent from Egypt in 1882 has not come into account until last year?—It is due to the delay of the Egyptian Government in making the claims on account of this expenditure both for railways and telegrams.

305. In the letter from the War Office to the Treasury is it not stated that the vouchers in the War Office had been so long lying there that it was impossible to get them up for the purposes of the Comptroller and Auditor General's Report?—I presume that the honourable Member refers to the letter of the 31st August 1889.

Chairman.

306. That might be so, and yet the claim might not have been made by the Egyptian Government?

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ARMY APPROPRIATION ACCOUNT.

Insufficient Vouching of Charges for Egyptian Telegrams—*continued.*

Chairman—continued.

Government?—Quite so. The letter says "an advance on account of Railway Services was supposed to have been made to the Egyptian Government, but no direct charge could be traced in the chief paymaster's accounts until at length the item was discovered in a large payment for Railway Services," which was sent, I know, very considerably in arrear.

Mr. *Lane.*

307. I think somewhere in that letter the War Office stated that the vouchers were put away so long ago that it was impossible to find them for the Comptroller and Auditor General; I observe in the third paragraph from the end of the letter they say, "These vouchers are now some four or five years old, and are consequently not in a condition to lend themselves readily to re-examination by the Comptroller and Auditor General;" those vouchers which were then five years old must, I presume, have been sent by the Egyptian Government when the claims arose?—No; they were five years old from the time that the documents originated. It does not mean that they were five years in the possession of the War Office.

308. Does that refer to actual telegram forms that were in the War Office?—Yes.

309. Not to any vouchers sent by the Egyptian Government?—No.

310. Did this claim come direct from the Egyptian Government to the War Office or did it come through any of the British military officers in Egypt?—It came through the paymaster in Egypt.

311. Did it come only last year?—No, considerably before then.

312. I want simply to ask this, was there no means at the disposal of the paymaster in Egypt to check the method in which those telegrams were sent at the time for the purposes of deducting this 5 per cent. which is now lost to the War Office?—No. The chief paymaster was referred to, as is mentioned in this letter, and he explained that he had no means there at his disposal that enabled him to check it; and he felt assured from his experience (and his opinion is very valuable because he was through the whole of those campaigns, up the Nile and afterwards at Cairo, being employed at various stations for a long time) that a very small deduction could have been made, and that it did not apply to the whole of the 4,135 *l.*

313. Was there no means of finding out what telegraphs the officers of the Royal Engineers were working at the time those telegrams were sent, and thereby establishing a claim for this much of the 4,000 *l.*?—No doubt such an elaborate inquiry might have been made, but it was not thought worth while as it only involved a couple of hundred pounds.

314. You attribute, as I understand, the loss of this claim to the fact that the Egyptian Government did not furnish their claims till such a time that it was impossible for you to check the nature of the different claims made?—Quite so.

315. Do I understand you to say that it was only in the past year which we are accounting for now that the Egyptian Government first sent in their claims?—No, I think they were in before that; but I cannot exactly say the time when they were received at the War Office.

316. Were they in the year 1887?—I imagine that they were some time in 1887; I think it was about 1887 that we first received them. I know that great trouble was taken with these railway claims and the telegraph claims too. They came home in such a way that the people at the War Office could not examine them at all; they could not understand them, and we had to get special men who understood the language in which they were written to overhaul them and go through them.

317. Then did they ascertain how much of the telegraph charge was put among the railway services charges?—Yes; they distinguished them in that way.

318. If you were able to trace how much was paid on account of telegraphs out of the railway services charge, was not there the same machinery to trace up the telegraph charges up to the same date?—No; although the vouchers on the face of them showed a distinction between the railway and telegraph charges, they still did not admit of an analysis of the telegraph charges to such an extent as would have secured this credit.

On VOTE 2.

No questions.

On VOTE 3.

No questions.

[The Witnesses withdrew.

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Wednesday, 12th March 1890.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Donald Crawford.
Sir Ughtred Kay-Shuttleworth.
Mr. Lane.
Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

ARMY APPROPRIATION ACCOUNT, 1888-89.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. G. L. RYDER, C.B., re-called; and further Examined.

Mr. RALPH HENRY KNOX, C.B., re-called; and further Examined.

EVIDENCE OF EXAMINATION OF PAY LISTS.

Chairman.

319. REFERRING to Question 193 of the Proceedings of last Wednesday, can you tell us whether the War Office has considered the question of keeping the original pay lists rather than the duplicate pay lists for examination by the Comptroller and Auditor General?—Those pay lists do not come to the War Office in the ordinary course; but should the Comptroller and Auditor General prefer examining those pay lists which are retained by the paymaster, and to which the signatures of the men are attached, there would be no objection on the part of the War Office to call for those which he wished to examine. But we should stipulate, I think, that they should go to the Comptroller and Auditor General direct, and that he should send them back. We have no extra space to accommodate any large number of documents of this kind; in fact, we are very much pressed for accommodation by the documents that come in now in the new form; they occupy much more space than the old pay lists did.

320. (To Sir *C. L. Ryan.*) Would that meet your object sufficiently?—Yes. With regard to the question of space we are rather at the mercy of the War Office, for we are working in their own building, and we have no more space there.

Chairman—continued.

321. As I understand, what is proposed by Mr. Knox is, that when you desire to see any particular pay list you can have it sent up from the regiment, but that it will not be the practice to have all the pay lists sent up?—Yes; I quite understand that, and I think it very likely that that may form the basis of a workable arrangement.

322. At all events, you think the experiment might be tried?—Yes.

Sir *Walter Barttelot.*

323. (To Mr. *Knox.*) As I understand, what is proposed is, that the pay list is only to be sent up for the inspection of the Comptroller and Auditor General and then sent back again to the regiment, because of course it is important to have the pay list as a record of what has been paid to the particular men?—Quite so; that is the reason why it should be kept with the regiment.

EXTRA DUTY PAY OF ADJUTANTS AND ASSISTANT ADJUTANTS.

Chairman.

324. Then, with regard to Question No. 387, you undertook to give us further information as to the reply given to the Treasury with reference to extra duty pay of adjutants and assistant adjutants; can you give us that information now?—A further communication has been addressed to that Office on this subject, which explains in detail the duties which the adjutant will have to take up, which it is hoped will be satisfactory. That communication has only just been sent in.

Chairman—continued.

325. (To Mr. *Ryder.*) Then, on behalf of the Treasury, you are probably not prepared to say anything further upon this point at present?—The letter has been received but not considered; it only reached us this morning.

326. Perhaps

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ARMY APPROPRIATION ACCOUNT.

Extra Duty Pay of Adjutants and Assistant Adjutants—*continued.*

Chairman – continued.

326. Perhaps next Wednesday, when this Committee meets, you can give us some information about that?—Yes.

OVER-ISSUES OF WORKING PAY.

Chairman.

327. (To Mr. *Ryder.*) I think that the Treasury undertook to give us some further information with respect to Question No. 243, as to over-issues of working pay. The Treasury asked that certain words should be added to the Warrant, and Mr. Knox suggests that the condition need not be inserted in the Warrant; can the Treasury say anything further upon this matter?—I have heard from Mr. Knox privately that the War Office agree to add those words. (Mr. *Knox.*) They have been inserted in the Warrant which is about to appear.

328. (To Mr. *Ryder.*) Has the Warrant yet received the approval of the Treasury?—It has, except with regard to the extra pay to adjutants. That is the only open question now that I know of, and we have to consider the War Office letter upon that subject

PAYMENT OF DEFERRED PAY IN RESPECT OF A PERIOD OF ABSENCE FROM THE ARMY.

Chairman.

329. (To Mr. *Knox.*) With regard to the case of Mr. Holdgate, I think you said that you would have a statement prepared to give to the Committee the precise services in respect of which it is proposed to make an exception in his case?—I have a statement here which perhaps I had better hand in.

330. Perhaps you could give us briefly the substance of the services?—I am afraid that I cannot make it very much shorter than it is here.

331. Then I will ask you to hand in the statement, and if necessary we can ask you questions upon it?—Yes (*handing in the same,* vide *Appendix*).

MANUFACTURE AND REPAIR OF STORES BY ORDNANCE STORE ARTIFICERS.

Chairman.

332. (To Mr. *Knox.*) With reference to Questions Nos. 280 and 281, the Comptroller and Auditor General called attention in March 1884 to a matter in connection with the manufacture of stores by Ordnance Store artificers; I think you promised to give an answer with regard to that point at the next sitting of the Committee?—Yes; it was a long letter which took up many points, as the Comptroller and Auditor General stated last year. The most important point, which was the query as to the separation of the Army and Navy stores, was one which was taken up and dealt with, and a reply sent to it; but this particular point I find really

ARMY APPROPRIATION ACCOUNT.

Manufacture and Repair of Stores by Ordnance Store Artificers—*continued.*

Chairman—continued.

escaped notice. The demand is, that where there are any stores manufactured to any extent there should be a manufacturing account rendered of those stores by the Department. I may say I have ascertained that it is the case that these particular manufactures, which the Comptroller and Auditor General observed on the occasion of his visit, were exceptional, and although they may go on for a year or so longer they are not likely to be repeated. They arise from the necessity of fitting-out some old ships which the Admiralty have handed over to be converted into store ships to hold naval stores. The fitting-out of those ships as storehouses necessitated a considerable amount of work in connection with them, and I think one or two boats were constructed. They were constructed really by naval men obtained from the Dockyard, but under the storekeeper charged with the duty of fitting-out those ships for the Navy. That is the exceptional service to which the Comptroller and Auditor General referred; but, as I stated, there is constantly a great deal of repairing of a small character going on at these gun wharves principally (although these minor repairs take place at every station), and certainly there would be an objection to establishing an elaborate system of manufacturing accounts for such repairs. I think, however, that there would be no objection whatever to having a separate statement showing, as far as possible (although the system of the service does not lend itself very readily to such an arrangement), the expenditure in wages which takes place in the shops and for the shops, and the value of the material used up in the shops as distinguished from the wages of the men who are employed on the ordinary work of the department.

Mr. *Arthur O'Connor.*

333. Does that mean that you would provide the same information in respect of the Army as is now provided in respect of the Navy?—At those principal stations there is not very much work for the Army. The work at these gun wharves is mainly for the Navy.

334. But, so far as it goes, you would do in respect of the Army services what you now do in respect of the Navy?—Yes; I think that the Director of Artillery is quite prepared to consider that; I saw him this morning upon the subject, and he sees the reasonableness of the demand, though there are difficulties in the way. Many of the men employed there are military men, that is to say, soldiers of the Ordnance Store Corps, and, of course, it is very difficult to state definitely the wages and emoluments of such men, because they receive so much of their emoluments in the shape of issues in kind. There would be the greatest possible difficulty in debiting them against such an account, but their actual working pay could be shown without any difficulty.

 335. (To

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12 *March* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. KNOX, C.B. [*Continued.*

ARMY APPROPRIATION ACCOUNT.

Manufacture and Repair of Stores by Ordnance Store Artificers—*continued.*

Chairman.

335. (To Sir *C. L. Ryan.*) As I understand your contention, you do not suggest that any manufacturing account should be kept for any mere repairs, but only when manufacturing work is carried on, such as you found in this case?—That is so.

336. (To Mr. *Knox.*) As I understand, an attempt would be made in any such exceptional case as this to keep a manufacturing account?—Quite so.

On VOTE 4.

MEDICAL ESTABLISHMENTS, PAY, &c.

SUPPLY OF MEDICINE, &c. TO THE ARMY.

Chairman.

337. (To Mr. *Knox.*) It seems that it is the practice, in the case of the supply of medicines for the Army, to obtain them from two firms only in England, and from one firm in Ireland; whereas in the case of the Navy medical stores are obtained on a system of limited competition; perhaps you will explain to the Committee what are the reasons for this practice on the part of the War Office?—Of course this is not a question of account but of administration; but in consequence of the question having been raised, the Secretary of State has recently given much consideration to it. In fact, the question is by no means a new one; it has been constantly raised in past years, and after inquiry from time to time it has invariably been decided that for Army services the system which has obtained is the best and the most economical.

338. Is that mainly on the ground stated in your letter of the 9th of December 1889 (at page 192), in which you inform the Comptroller and Auditor General, on behalf of the Secretary of State, that "investigation resulted in the unanimous opinion that any departure from the system of procuring medical stores at present obtaining, and which has for so many years been in force, would be prejudicial to the interests of the service;" and also on the ground mentioned in a previous letter of the 28th February 1889 (on the previous page), in which Mr. Stanhope calls attention to the fact that the important matter of the treatment of the sick is involved, and that cheapness is not the only thing to be regarded?—Those are really not the only grounds. There is the additional ground that it would be necessary to set up a costly establishment in order to carry out the system of obtaining these stores in bulk, and distributing them to the Army at the various stations throughout the kingdom.

339. Do you mean an establishment for the packing and the distribution of stores?—Yes, receiving and examining them.

ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicine, &c. to the Army—*continued.*

Chairman—continued.

340. That work is at present undertaken by the contractors for the Army, is it not?—Yes.

341. Who are the two firms in England from whom medicines are now obtained?—The Apothecaries' Hall and Messrs. Savory's; and in Ireland it is the Apothecaries' Hall.

Mr. *Arthur O'Connor.*

342. Is there not another source of supply in Ireland under the Poor Law administration?—That I cannot say; I do not know.

343. Would not the requirements of the military service be parallel with the requirements of the Poor Law service; that is to say, if you had a central depôt in Dublin, could not you supply the drugs to the different stations as they do under the Poor Law administration?—Such an arrangement is quite possible, and that has not been denied at all, but the question is whether it is advisable or more economical. These requisitions, when they come in from the various stations, are approved by the Army Medical Department, and the order is sent to one of those firms to execute. They keep the stores. We have no stores to keep or to lay in. They issue them in retail, sometimes in very small quantities, practically carrying on a retail business, to the various military stations scattered over the whole of the kingdom.

344. Have you taken any steps to find out whether in Ireland the service might not be more economically managed?—The argument was held to be the same for both Ireland and England.

345. But the circumstances may not perhaps be the same in Ireland?—I do not think that they are in any way different. Small demands are constantly being made for these various military stations for the few sick whom they may have there, and stores are constantly being issued in very small quantities. By this system we are relieved from the necessity of keeping stores, from having a storehouse to hold them, and from keeping the staff that would be necessary to make up and distribute such stores, and also from the cost of making up packages, and the cost involved in distributing them. Everything being considered, all those who are most experienced in this service have come to the conclusion that it would not be advisable to make a change. The part of the consideration of the question that would come before me would be the question of having a special establishment. It was proposed to add something like sixty men to the amount of the Hospital Corps to carry out such service. I am sure that such an arrangement would be a very costly one.

Mr. *Barran.*

346. What is the amount spent annually?—About 12,000 *l.* a year is spent in medicines.

347. You

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ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicine to the Army—*continued.*

Mr. *Barran*—continued.

347. You consider, I understand, that if a drug establishment was instituted by the Government, it would be a very much more expensive way of distributing the medicines?—Yes.

Mr. *Sydney Buxton.*

348. Assuming that the present system of distributing is kept up, what would be the objection to have a large number of firms tendering instead of having only the three firms tendering?—It has not been proposed that other firms should be asked to tender upon the same conditions: of course, they might do so.

Chairman.

349. As I understand there is not competition between the three firms, but two firms do the work for England; and I am not quite clear as to whether there is competition between them?—There is not competition between them.

350. And one firm does the work for the whole of Ireland?—Yes.

351. Therefore it is a monopoly in the hands of two firms in England and of one firm in Ireland?—Yes.

Mr. *Sydney Buxton.*

352. What guarantee have you that you are not being charged exorbitant prices for the drugs?—Those price lists are sent in every half-year and noted as being the prices of supply for the half-year. These are examined by the Army Medical Department and compared with the ordinary market prices generally obtaining with regard to such matters, and they raise any objection which they think right as regards any prices which seem to them to be at any considerable variance from the market prices, and they get explanations or reductions from the firms concerned.

Mr. *Arthur O'Connor.*

353. Is not the standard of comparison the Apothecaries' Hall itself?—No; those prices would be relative to the general prices in the market for wholesale supplies.

Mr. *Donald Crawford.*

354. Does the 20,000*l.* in Vote 4 for "Cost of Medicines, &c." include anything else?—Yes, it includes surgical instruments and many other medical appliances; about 12,000*l.* is the actual expenditure upon drugs and medicine.

Mr. *Sydney Buxton.*

355. It does not appear that you necessarily accept even the lower price of those two firms tendering?—No, the business is divided between the two.

356. When one of these firms offers a lower price you do not necessarily accept that offer?—I do not know that that is so.

357. The letter at page 191, in the fourth

ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicine to the Army—*continued.*

Mr. *Sydney Buxton*—continued.

paragraph, appears to say so?—There is no competition between the two firms. One firm does a certain branch of business, and another firm another branch; but if there were any great discrepancy between the two, I have no doubt that pressure would be put upon them to assimilate their prices.

Mr. *Arthur O'Connor.*

358. Is not the article in the Pharmacopœa a different article from the article of commerce; is there any standard of value for the article in the Pharmacopœa other than that of the Apothecaries' Hall?—I should imagine so, certainly; but there are drugs of various kinds in the market.

359. There are various kinds of drugs, no doubt, in the market, but not of the kind stipulated for?—Quite so, and that is one of the arguments which the Apothecaries' Hall and Messrs. Savory advance with reference to many of the queries which have been sent to them.

Chairman.

360. As a matter of fact, you have told us that if you find that the prices tendered seem to you too high, judging by some standard of value, you enter into negotiations with a view to getting them reduced, or you make objections; practically are such objections made frequently?—That I cannot say. They are made by the Army Medical Department in the Medicine Branch of that Department. The medical officer, who is in charge there, explained to me that that was the course they invariably went through.

361. Do you know whether such objections result in any reductions?—He assured me that they did.

Mr. *Wodehouse.*

362. I think you said that there was no competition as between the two firms which supplied the drugs?—Yes.

363. But apparently the War Office, in the last paragraph but one of their letter of the 28th February 1889, contend that there is a certain limited measure of competition with regard to the larger demands?—Yes.

364. I gather they would take the articles offered at the lower price, where the demand is large?—Yes, I assume so. I must admit that I am not fully acquainted with the details of all those demands.

Chairman.

365. Would that answer apply to the case of Ireland where there is only one firm?—I should take it that it would not. I imagine that it applies rather to such a case as this: Supposing that medicines were required for an expedition, and there were a large extra supply required, we should then take special measures to get the medicines upon as cheap terms as we could, but

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ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicine to the Army—*continued.*

Charman—continued.

mainly looking both to the Apothecaries' Hall and Messrs. Savory's to supply them.

366. Wholly looking to them, in fact?—Yes, wholly.

Mr. *Wodehouse.*

367. One of the letters of the War Office says that the investigation which was made into this matter resulted in the unanimous opinion that the present system is the best for the Army. By whom was the investigation conducted?—It was considered, on a reference to the two firms and the explanation as to the way in which they worked their business. It was considered by the principal authorities at the War Office, the Army Medical Department, the Permanent Under Secretary, the Director of Contracts, the Financial Secretary, and so on.

368. It was not considered by any special Committee?—Not by any special Committee.

369. I suppose the authorities who came to this decision with reference to the army were cognisant of the opposite system adopted by the Navy?—Yes; reference was made, and communications took place between the Director General of the Army Medical Department and the Director General of the Navy Medical Department.

370. The applicability of the Navy system was then fully considered by the Army Officers?—Yes; it was completely. Of course the issues in the Navy being for ships, are issues for longer periods of time and for larger number of men than in the Army where the issues are in many cases to a small number of men, and for a number of stations scattered over various parts of the United Kingdom.

371. In fact the circumstances of the two services are not analogous?—They are not

Chairman.

372. Was there a written report made?—The Director General of the Army Medical Department considered the replies from the firms and wrote a Report.

373. After inquiry had been made?—After reference to the Navy Medical Department and to the contractors.

374. Your letter of the 9th of December 1889 says that, after a thorough inquiry, the matter was definitely settled by Mr. Stanhope?—Yes.

375. What I wanted to arrive at was, on what materials Mr. Stanhope arrived at that settlement; was it on a written report?—It was on the Report from the Army Medical Department, after communications, as I stated, with the Navy and with the contractors, and considering also what the cost of setting up a separate establishment would be. All that was reported to Mr. Stanhope.

376. Would there be any objection to showing that Report to the Committee?—I will ask if there is any objection.

ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicine to the Army—*continued.*

Mr. *Salt.*

377. Do you ever have any complaints as to the quality of these medical stores?—I have not heard of any. We know that we are likely to have very few complaints, relying upon the contractors who are accepted as leading contractors.

378. Are you supplied at wholesale prices?—No, not at wholesale prices; we are supplied at special prices, having reference to the work which they have to do for us in keeping the stores and distributing them.

379. Taking surgical instruments, for instance, there is a considerable difference between the retail and the wholesale price; are you supplied with surgical instruments at the wholesale price?—This inquiry has been specially with regard to drugs. We have not gone into the question of surgical instruments; they are obtained from other people.

Sir *Walter Barttelot.*

380. Are the prices wholesale, or are they not?—They are not wholesale prices, certainly.

381. Then what is the particular object in confining it to two contractors if the prices are not wholesale?—Because they practically carry on a retail business for us. They keep the store, and they keep the staff to distribute the store. They do not supply wholesale; they practically supply retail to the various military stations.

382. Are you not aware that there is a difference of something like 100 or 150 per cent. between the prices of drugs sold, retail and wholesale?—Yes, there is very great difference.

383. And thus the great object of having the two contractors was, as I understood, that they sent out these drugs to different stations at wholesale prices?—No; their prices are taken to cover the establishment which they have to maintain for distributing the stores.

384. Therefore, so far as the prices are concerned, nothing is gained by having the two contractors?—Not that I can see.

385. Then it is only because you consider that these two contractor are far superior to any that you could put your finger upon at the moment?—Yes, I imagine that that is the case.

386. And the medical officers think they most certainly would get from these two contractors the best drugs that can be found?—Yes, and that this method of obtaining them is the most economical method. The loading, that is to say of the prices, is not more than sufficient to counterbalance the expenditure which we should have to incur if we distributed the drugs.

387. As I understand, you give orders for wholesale quantities?—No; not for wholesale quantities; that is the whole point.

388. As I undertand, they distribute the drugs in small quantities; but they certainly know the quantities which you will require by the year?—No, the demands that come in from the

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ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicine to the Army—*continued.*

Sir *Walter Barttelot*—continued

the various stations for small quantities are passed by the Medical Department and sent to the contractors as orders for issues.

389. They have an opportunity of judging for themselves, have they not, as to the sort of amount supplied annually?—Yes, they can no doubt arrive at an average.

390. And therefore they know as nearly as possible the quantity they will have to supply?—They can form from their experience a very good idea of what it will be.

391. It must be a very great advantage to them to know that they have to supply so large a quantity, and to distribute it?—Yes, it is an advantage to them to know that they have a regular business of that kind, no doubt.

392. That being so, surely the price charged by them ought to be considerably less than is charged by an ordinary contractor, not knowing what the quantity would be?—I do not know that I quite understand your question; do you mean the price charged by an ordinary retail druggist?

393. If you employed in various places different people to supply these goods, as compared with them, those people who have known for years past what the quantity required has been, would be pretty good judges of the quantity that would be wanted for the Army, and they would have that advantage, would they not?—Yes.

394. Therefore they ought to be able to supply the drugs very much cheaper, ought they not?—Yes, and I have no doubt that they do. They are cheap prices, but not wholesale prices; that is all I mean.

395. I will test it by one other question. Have you ever made any inquiry to see what another contractor would do it for, and compared his price with the prices of the contractors?—I am not aware that any such inquiry has been made.

Sir *Richard Temple.*

396. But I understood you to say that the prices are cheaper?—They are cheap prices; they are a long way cheaper than the retail prices

397. By about how much are they cheaper than the retail prices?—That I cannot say.

398. If you cannot say by how much they are cheaper, how do you know they are cheaper?—These firms tender at as low prices as they possibly can. We look at those prices, and examine them with the current wholesale prices, and see that we get a reasonable price.

399. Do you mean that you examine them with the current retail price?—No, the current wholesale price. The prices are checked by the wholesale prices of the market.

400. Ought they not to be checked by the retail prices?—I think it is generally understood that they are a long way less than the retail

ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicine to the Army—*continued.*

Sir *Richard Temple*—continued.

prices; but I think that perhaps you had bette know the actual prices.

Chairman.

401. Could you furnish us with a Table of prices showing the wholesale prices upon the one side, and the actual price upon the other?—I will see what the Army Medical Department can send.

402. I do not mean the prices of all the articles supplied, but of some of the more important ones?—Yes.

403. Ought not the prices to be wholesale, plus a certain allowance for the expense of packing and distribution?—That is what they are acknowledged to be, and are regarded as being.

Mr. *Barran.*

404. Perhaps, as you admit you are not personally acquainted with these matters, it would simplify things to have the Director of the Army Medical Department here when this point is further considered?—He will be here.

VOTE 4 postponed.

On VOTE 5.

MILITIA PAY AND ALLOWANCES.

Mr. *Arthur O'Connor.*

405. (To Mr. *Knox.*) As regards Item A., I notice that there is a surplus of 22,662 *l.* 4 *s.* 3 *d.*, and on Item C. there is a deficit. The explanation of the deficit on Item C. is that there has been "a steady increase in the number of officers;" and the explanation of the surplus on Item A. is that "the estimate was principally based upon the expenditure for 1886–87, but with a margin for a possible growth in the effective strength. Instead of a growth, however, there was a general decrease in the number enrolled, in the number attending the training, and in the number of recruits." Now, putting those two things together, I should like to ask what are the grounds upon which such an amount as 304,000 *l.* was asked for under Item A., which resulted in the Department being left with a surplus on that item alone of 22,000 *l.*, there having been a decrease from, I think, 40,000 men three years ago to 36,000 two years ago, and 31,000 or so the year before; how was it that, the facts all indicating a steady decrease in the number of men, you estimated for an increase with the result that you get a surplus of 22,000 *l.* under Item A., and an increase in the number of officers under Item C.?—I suppose there is nothing more uncertain than the recruiting generally for both the Army and the Militia, and the Department generally takes a hopeful view of these matters unless there is distinct evidence at the time that there is no chance of

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ARMY APPROPRIATION ACCOUNT.

Vote 5.—Military Pay and Allowances—*continued.*

Mr. *Arthur O'Connor*—continued.

getting the men. At this time a sanguine view was taken that we should not only not lose any men but that we should make an increase.

406. But what was the ground for entertaining that expectation, all the facts pointing the other way?—Hope, I should imagine.

Mr. *Barran.*

407. You wanted the men, if you could get them, I presume?—Certainly.

408. And you provided the money for the men, but you did not get the men?—Certainly. We did not provide for anything like the full establishment, but we hoped that we should get up to the number which would draw that amount of money.

Mr. *Lane.*

409. If you provided the officers you expected to get the men?—The deficiency in the establishment of officers was even relatively greater than the deficiency in the men. Certain steps had been taken offering a larger number of commissions in the Army which led to a rush of men to the commissioned ranks of the Militia, and so a larger number of them drew pay.

On VOTE 9.

TRANSPORT AND REMOUNTS, IRREGULARITIES IN COASTWISE FREIGHTS OF ARMY STORES.

Chairman.

410. (To Mr. *Knox.*) The Comptroller and Auditor General reports that the papers relating to the coastwise freight of Army Stores disclosed the circumstances of some grave irregularities, and that there was a report upon the subject by a committee of officers who were ordered by the Secretary of State to investigate the subject generally; can you explain to the Committee the sort of irregularities which were discovered?—It was thought that the charges and the method of shipment of Stores at Woolwich were not well in hand, and although it was ascertained that the staff there was working hard, it was thought that they really had not complete control of it owing to the great pressure upon the Store Department.

411. I was rather asking what was the nature of the irregularities?—It is pointed out in the Comptroller and Auditor General's Report that a claim was preferred in which a miscalculation was made by adding in a date as representing the tons for which charge was made.

412. I think it can scarcely have been in allusion to that, that the Comptroller and Auditor General used this strong phrase; I rather wanted to know what were the results of the report of the committee of officers?—The result of the report was that a man who was in

ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts, Irregularities in Coastwise Freights, &c.—*continued.*

Chairman—continued.

charge was removed from this duty, and a different arrangement altogether was made for superintending the shipment of Stores from Woolwich. That new arrangement has now been in operation some little time, and I believe is working satisfactorily.

413. Is there any secret about the nature of the irregularities for which he was removed; would there be any objection to producing the report to this Committee?—I think not.

414. Perhaps we should be in a better position to judge of this matter when we have had the report?—Yes, I will inquire about it.

415. As regard this particular amount, there is a legal investigation being pursued as to the recovery of the amount of the over-payment; perhaps that investigation by this time has terminated, has it?—No, it has not The question of recovery from the contractors who received the payment is under consideration; it was referred to the Treasury, and the Treasury asked whether some further steps could not be taken.

Mr. *Arthur O'Connor.*

416. What is the meaning of the expression "Legal investigation"; we know what "legal proceedings" mean; certainly there is an action for money had and received; is not that so?—We are advised by the Solicitor to the Treasury that an action would not lie with regard to this payment.

417. Are we to understand that the Treasury object to this statement in the Report of the Comptroller and Auditor General, because it appears to me that where a man has received money to which he is not entitled, simply through a clerical error, the cause of action is clear?—We have been advised (I do not know whether the Treasury will be satisfied with the explanation) that an action would not lie.

Chairman.

418. (To Mr. *Ryder.*) What is the point upon which the Treasury are not satisfied?—I think the matter has been brought before the Treasury Solicitor only, not before the Treasury as a Department, and therefore I have no cognizance of it myself.

Mr. *Barran.*

419 (To Mr. *Knox.*) Is the contractor in this case the ordinary contractor to the Department?—Yes.

420. Are you still continuing to do business with them?—Yes.

Mr. *Arthur O'Connor.*

421. It comes to this; we have to form a judgment as a Committee upon the facts reported to us by the Comptroller and Auditor General; if the War Office and the Treasury admit that this statement of the Comptroller and Auditor General is correct in point of fact, that

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12 *March* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. KNOX, C.B. [*Continued.*

ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts, Irregularities in Coastwise Freights, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

is the material upon which we must arrive at a judgment; does the War Office contest this statement or admit it?—The facts are admitted.

422. By the War Office and by the Treasury?—Yes.

423. And those are the only facts upon which we have to form a judgment?—Yes.

Mr. *Barran.*

424. Independently of any legal opinion, the War Office declined, as I understand, to enforce the repayment of this money or to discontinue to employ the contractor?—We were advised that we could not legally proceed against the man.

425. Can you morally proceed against him; that is to say, can you make your moral influence felt upon him as a contractor to the War Office?—Our difficulty is this, that for work of this kind we have practically very little competition; I may say hardly any.

Mr. *Arthur O'Connor.*

426. That is a question of policy, not of law?—Yes; I was referring then to the point of the moral influence to be brought to bear upon the contractor.

Mr. *Lane.*

427. How is the bill furnished for such an item as this, 27 *l.* 2 *s.* 8 *d.*; was the bill furnished by the man who carried the goods?—No, the bill was made out in the Store Department.

428. According to measurement?—According to what was thought to be the tonnage.

429. Is not the tonnage in all these cases, to a very large extent, calculated according to the measurement of the ship?—Yes, it is all according to measurement.

430. Was there no person who would immediately discover the extraordinary fact that two feet of measurement could not possibly account for 88 tons?—It was discovered when the bill came to the War Office, and it was objected to.

431. Did it come as a single item in a large account, or was it a single voucher that came for this particular payment?—For this particular payment, but there were several items in the bill.

Mr. *Arthur O'Connor.*

432. We are supposed here to be taking serious evidence, and on a statement of fact by a responsible officer like the Comptroller and Auditor General a certain question arises, and then we are told that legal proceedings are not taken because another responsible officer, namely, the Solicitor to the Treasury, has advised that no action will lie. When that point is pressed we find that that is not the ground, or at all events not the exclusive ground, for declining to take legal proceedings, but that the real ground is that the man against whom the claim would have to be enforced, if it is enforced at all,

ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts, Irregularities in Coastwise Freights, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

being the sole contractor for work of this kind, it would be inconvenient to the Department to break with him?- -That is not the ground upon which we refuse to take legal proceedings at all.

Mr. *Barran.*

433. Is it the ground upon which you declined to discontinue to do business with this man?—Yes.

434 That is to say, you have a man who has been guilty of doing an injustice to the Department, and seeing that you would have some difficulty in replacing that man, you allow him to remain in the service of the Department, because you would suffer some inconvenience if you sent him away?—Not only inconvenience but loss.

435. If you found a man robbing you in a particular department, and he was a very important man, would it be considered in the Department an undesirable thing to dismiss that man or punish him, because you might be put to some inconvenience in consequence of his dismissal?—The cases are not similar. I do not think it has been held here that the man has committed a robbery. The payment has been made to him rather owing to a fault made in the Department; he has certainly accepted the money.

436. It has been pointed out to him, as I understand, that he has accepted that which is not due to him?—Yes.

437. And he still keeps it?—Yes.

438. You do not consider that dishonest?—I have my own view about it, but the question is, whether it is illegal.

Mr. *Lane.*

439. The Comptroller and Auditor General, as I understand, says that such irregularities have been existing for many years?—I do not think that such an irregularity as this overpayment has been existing for many years.

Mr. *Wodehouse.*

440. I think you said that some man was removed from duty; was it for such an irregularity as this?—No; it was supposed generally that the shipment of the stores was conducted with some laxness, but it was not suggested that there was any such overpayment as this.

441. It was merely negligence that was suggested in that case?—Yes.

442. His removal was not brought about by this particular instance of overpayment?—No.

443. Was he concerned with it?—He must have been concerned with it, for it was under him that the charges were prepared.

Sir *John Lubbock.*

444. As I understand, this account was made out in the Department, and your contractor was not responsible in the first instance for the error?—No.

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ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts, Irregularities in Coastwise Freights, &c.—*continued.*

Sir *John Lubbock*—continued.

445. Would it not be better that accounts of that sort should be made out by the contractor and then brought to the Department, where you could check them, and then you would have a double check upon the account; in this case, as I understand, you made out the account, and it was not the business of the contractor in the first instance to check it?—That, of course, is the usual system, but with regard to these particular charges, I take it that it is much more convenient that it should be done in that way. We practically measure and ship the things, and pay on the calculated bills according to the measurements.

446. Do you propose to go on employing this contractor, notwithstanding his declining to refund the money?—That is the present view of the Department.

447. Do not you think that that is a very bad precedent for the future?—I should think so, personally, certainly.

Sir *Richard Temple.*

448. Who decides this question at the War Office; I understood you to say "the Department," but when you say "the Department," does that mean you or somebody above you?—No; it is a question of contract.

449. You say that the contractor is not considered to have acted dishonestly, and I think you mentioned the Department, and you went on to say that you had your own opinion about the matter; who is the authority to whom you allude if it is not yourself; is it some officer above you?—No; such a case as this (this case has not yet been decided) would be decided by the Financial Secretary; it would be a matter for the Contract Branch as to whether the contractor had committed such an offence as should necessitate his removal from the list of contractors.

450. Would it not rest with the Director of Contracts?—He acts under the Financial Secretary.

Chairman.

451. It would still be open to the Treasury to object, would it not, and to say that this was not a balance irrecoverable?—I suppose so, certainly.

452. (To Mr. *Ryder.*) Under circumstances of this kind does the Treasury pass such an account as a balance irrecoverable?—There are various cases in which the Treasury has refused to write off a claim, and has urged the War Department to take proceedings to inquire further; and I think very probably that the Treasury would take that line if this particular case was brought before them.

453. Supposing that the Treasury Solicitor was confirmed in his view by the Law Officers of the Crown that proceedings were impossible, would you insist upon such a point as this, that

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Vote 9.—Transport and Remounts, Irregularities in Coastwise Freights, &c.—*continued.*

Chairman—continued.

the contractor should not be employed any more?—There are examples where we have done so; we have asked the War Office to put the defaulting contractor upon the black list.

454. But the stage for that action on the part of the Treasury has not arrived in this instance?—It has not arrived.

Mr. *Barran.*

455. (To Mr. *Knox.*) When was this money paid?—I do not know precisely.

Sir *Richard Temple.*

456. Do you know when the Financial Secretary will decide this point?—It must be very shortly; the paper has not yet been submitted to him.

457. Supposing that this Committee felt anxious on the point, could not the Financial Secretary empower you to indicate to us what the intention of the Department is?—Yes, I think so.

458. But without authority you do not feel able to do that?—Certainly not.

459. Could you ask for such an authority?—Yes, I could ask that a decision should be given upon the matter.

Chairman.

460. You will have observed that the Committee are not satisfied upon this point, and as we have decided to postpone this paragraph, in order to obtain the report of the committee of officers ordered by the Secretary of State to investigate this subject, perhaps when we take this paragraph again you will be prepared to give us further information?—I will.

Mr. *Barran.*

461. Would you also give us the date when the money was paid?—"3-5-88," I suppose, indicates the date of the transaction, but I will endeavour to ascertain the date of the actual payment.

Paragraph 27 postponed.

On VOTE 12.

WARLIKE AND OTHER STORES, SUPPLY AND REPAIR.

FORM OF ESTIMATE.

Chairman.

462. (To Sir *C. L. Ryan.*) I think the subject to which you have called attention in your Report, namely, the diminution in the number of Sub-Heads of this Vote, and the fact that the same information that was formerly given in these Sub-Heads of Part II. of the Estimate has been transferred to Part III. of the Estimate, and is there shown in certain vertical columns, was explained by you in your evidence before the Army Estimates Committee

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Vote 12.—Warlike and other Stores, Supply and Repair—*continued.*

Chairman—continued.

Committee in 1888?—The general effect of transferring a payment from Part II. to Part III. was so explained, and, as it happened, the Committee was then upon the same Estimates as are now dealt with in the form of an account.

463. Before we come to your evidence, I think you find, as a matter of fact, that, now you have the accounts before you, the classification of the estimated expenditure which was given in Part III. of the Estimates under these vertical columns, under the heads of "Equipment and Reserves," "Annual Maintenance," and "Repayment Services," is not represented by any information upon the Appropriation Account?—It is not.

464. (To Mr. *Ryder.*) I think the Treasury raise a point in their letter of the 13th of June 1888 (which is at page 194), as to whether it is well to give information of this kind in Part III. of the Estimates, if that classification of the expenditure cannot be carried out in the accounts, and the Treasury suggested in their letter whether it would not be better, if it is proposed to give such information to Parliament, to place it in the Appendix outside Part III. proper, or to separate it from the Estimates altogether?—The Treasury incline to take that view.

465. As I understand, you do not see any advantage in burdening the Estimates themselves with any classification of expenditure which cannot be carried out afterwards in the Appropriation Account?—That is so.

466. (To Sir *C. L. Ryan.*) I think that is also your view?—It is

467. (To Mr. *Knox.*) What view does the War Office take upon that subject?—One distinctly opposed to that of the Comptroller and Auditor General and the Treasury. They think that such columns as are inserted are of considerable value as explanations of the demand which the Secretary of State makes. He cannot make his charges in accordance with that classification, but it does show to the House of Commons, in a very definite and clear way, how much he thinks he will have to spend of the amount which he asks for to meet the ordinary waste and consumption of the year, and how much of it will be due to increasing his reserves and equipment. The nature of the stores is entirely the same. They are contracted for, of course, *en bloc*, the orders are given to the factories *en bloc* for such stores: and it would be extremely difficult, if not impossible, to make the division, which would be purely arbitrary, such as is stated in the Estimates; but it is satisfactory, and I think must be so to those who have to consider these things, to know what, in the opinion of the Secretary of State, he requires to replace wear and tear, and what he requires to make up reserves

468. The suggestion is not that the information should not be given, but that it should not be given as a part of the Estimates themselves, seeing that this classification is not, as a matter of

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Vote 12.—Warlike and other Stores, Supply and Repair—*continued.*

Chairman—continued.

fact, followed in such a way that the same classification can appear in the Appropriation Accounts?—I think, if it is to serve any use at all for those who have to consider these matters, it is better that it should be in a place where they are likely to look at it, rather than in a place where they are certainly not likely to look at it.

469. Might it not be that this is an entirely misleading statement; it is impossible to test afterwards whether this classification has been followed; and may it not be that Members of Parliament seeing the Estimates are led to conclude that the money will be spent in this way; for instance, under the head of Ordnance Stores Armaments 65,500 *l.* is to be spent on equipment and reserves, and 30,000 *l.* on annual maintenance, thus making a total of 95,500 *l.*; whereas, as a matter of fact, the money would be spent in a different way?—I think those columns simply give the reasons of the Secretary of State for making those demands, and that is all.

Mr. *Arthur O'Connor.*

470. The Vote, as a Vote, without this would be perfectly intact; you could dispense with it, and the Vote would still be perfect as compared with other Votes, would it not?—Quite.

Chairman.

471. Do you see any objection to placing the information in the Appendix; this information, I understand, used to be given in Sub-Heads in Part II. of the Estimates; is not that so?—No, it was never given in old times; I think two years ago is the first time it was ever given.

472. There were a larger number of Sub-Heads, and, consequently, a larger classification was involved; was not that so?—Yes, but it was not divided into vertical columns.

473. Part II. of the Estimate of 1887–88 was divided into 27 Sub-Heads, whereas in the Estimates in question there were only six?—Yes, that change has been made.

474. And corresponding additional information was given in Part III. in detail?—Yes; exactly the same information was given, only it was given as items instead of Sub-Heads.

475. Then the difference is this, that whereas the classification in Part II. under those 27 Sub-Heads had to be carried into the accounts, the subdivisions given under Part III. by means of these vertical columns are not carried into the account?—The vertical columns do not affect it at all. A separate account is kept of all the expenditure under these various headings. They are not what are called technically Sub-Heads of the Vote; but the account is kept under these headings, as stated by the Comptroller and Auditor General, and will continue to be so kept.

476. You mean accounts are kept corresponding with the horizontal items of Part III. of the Estimates?—Quite so.

477. But the divisions shown under the ver-

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Chairman - continued.

tical columns are not represented by any classification in the accounts themselves?—Quite so.

478. Then the suggestion of the Treasury, in which the Comptroller and Auditor General concurs, is that, as these are details which are not followed in the accounts, they ought not to appear in Part III. of the Estimates, but ought to appear somewhere else?—They are simply explanatory. I think they are really of value there, but they would not be of any value if they were stated somewhere else; it would be better to omit them altogether.

479. May they not to this extent be misleading to Members of the House of Commons, who suppose that this classification will be followed in the account, as the horizontal classification is followed in the account?—They can be told in a footnote that they will not be followed in the account, if that is sufficient.

Mr. *Arthur O'Connor.*

480. As regards the distribution much of the same information might be given in a footnote, which is now given in the columns?—You mean it might be given in a summary form, I presume.

481. It might be given without tying the Department to that actual distribution?—I presume you mean as regards the sum total, so to speak.

482. Taking each Sub-Head, you might have a footnote to say that there is intended to be expenditure on maintenance so much, establishment so much, and on whatever the other Estimates may be so much; that would not in any way bind the Department to these actual figures with regard to the distribution, would it?—I hold that this subdivision does not bind the Department.

483. It is a note really in the body of the page instead of a footnote?—Quite so.

Chairman.

484. But you do not dispute, I presume, that the Department is held in some degree to the details shown in Part III. of the Estimates, though not so strictly as they are held to the Sub-Heads which are contained under Part II.?—That is the amounts voted, the sum proposed as grants; those are stated in one column of totals.

485. For instance, the total of 95,500 *l.* for armaments would be represented by figures somewhat like it in the accounts, and the Comptroller and Auditor General would compare the one with the other?—Quite so.

486. There would be the opportunity of doing so; but is it not desirable to confine the statement of the figures given in Part III. to those which are followed in the accounts?—I do not think so; it has not been, by any means, the universal practice to do so.

487. (To Sir *C. L. Ryan.*) Perhaps you would like to give your views upon the point a little more fully to the Committee?—I think I should like to give my view very much in the words in which I gave it before Lord Randolph Churchill's Committee in 1888.

488. You are referring, I presume, to your answers at page 83 of the First Report of the Army Estimates Committee of 1888, and particularly, perhaps, to Question 1092, and those which follow?—Yes; I might perhaps, in order to make it clearer, read the whole of my answer to that question, though it deals with Estimates as well. I am asked by the Chairman, "We will take Vote 12, which we were then on?" and my answer is, "The Comptroller and Auditor General, I may observe, has no responsibility with regard to the Estimates, as such. The Estimates are presented to Parliament upon the responsibility of the Department, and of the Treasury. The work of the Comptroller and Auditor General comes in when the accounts come, and the Estimates are before him as a guide to what is the purport and intention of Parliament in granting the money; in that sense only do the Estimates come before him. But the Comptroller and Auditor General holds, and always has held, that the Estimates are before him as a whole; that although the Estimates are divided into three parts. Part I., the Vote, Part II., the Sub-Heads, and Part III. the Details or Appendix attached to the Vote, still, inasmuch as Parliament grants the money upon the understanding that it is going to be spent in that manner, the Department presenting those Estimates to Parliament cannot repudiate the responsibility for the divisions under which they present them, and upon the faith of which Parliament grants the money. Therefore, the Comptroller and Auditor General holds that the Estimates are before him as a whole; that he is entitled, if he thinks proper, to question any deviation from the Estimates, as shown by the figures in Part III., the Appendices, as well as in Part II. That is the theory which the Comptroller and Auditor General holds with regard to the Estimate, and has held ever since the passing of the Exchequer and Audit Act." Then I go on to explain that although that is the theory that cannot be the practice. I do not know whether the Committee would like to have the next answer also.

489. I think perhaps it would be better to give the next answer also?—Then I am asked, "You say that is the theory that the Comptroller and Auditor General has always held; has that view been disputed by the Department?" and my answer is, "I do not think that that view has been practically disputed by the Department since the first commencement of the Exchequer and Audit Act. When the Public Accounts Committee first had the accounts before them that point was distinctly raised, and it was stated that the Appendices on the details were not such as the Comptroller and Auditor General could call upon the Department to account for or follow. The Committee on Public Accounts, which has almost made the law, so to speak, upon financial matters,

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Vote 12.—Warlike and other Stores, Supply and Repair—*continued.*

Chairman—continued.

matters, under the Exchequer and Audit Act, held that the Comptroller and Auditor General had the right to look to any part of the Estimates that he thought proper, and I do not think that in principle that decision has been since disputed. I cannot recall any dispute or correspondence which bear upon it. I have now defined the theory, and I come to the question of practice. In practice the Comptroller and Auditor General really is bound by the second part of the Estimates; and he is bound for this reason, that the plan of accounts, which is the only authority for the preparation of the Appropriation Account, has been committed by the Exchequer and Audit Act to the Treasury. The Treasury prepare the form of account and books under that Act, which has to be subsequently formally sanctioned by an Order in Council; practically, the Treasury is the authority which settles the form of account, and the Department follows that form of account. The Comptroller and Auditor General has no power to call upon the Department to open ledger headings, or to furnish him in detail with evidence of the correspondence of the account with the Estimates, except as regards Part II. The Comptroller and Auditor General could not do it for himself; he audits the accounts of all Departments of the Army and Navy practically upon the books; he follows the expenditure into the books Where a Department opens headings and apportions expenditure to particular sub-heads he can and does follow that pretty closely; but where a Department is not required to do so by the form of the account, he cannot require them to do so. Practically, therefore, as far as apportionment in detail goes, it ceases upon the transfer of an item from the Sub-Head Part, No. II. into Part No. III., or the Appendix, so that there is a far freer hand given to the Department by the inclusion of a sum under Part III. than there is by its being retained to Part II. There is also another thing that follows in the link of the financial control; upon the transfer (if a sum is exceeded), from one Sub-Head to another in Part II., Treasury sanction must be obtained for that diversion; the Treasury must have the circumstances explained to them, and are entitled to have the circumstances explained to them, and they may refuse that sanction. If they do, that becomes a matter which the Comptroller and Auditor General reports to Parliament, and it is considered by the Public Accounts Committee. If, on the other hand, the item is in Part III., the excess does not require to be reported to the Treasury, and does not require their sanction; therefore, the Committee will understand that which I have pointed out, that a transfer to Part III. may give really a much freer hand to the Department, even if, as has been proposed in the evidence here, ledger headings be opened, and in the Appendix to the Appropriation Account, there is actually shown the amount which has been

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Chairman—continued.

spent under the various heads. The Committee, as I understand, took an objection to the very large sum under Sub-Haad B. of Vote 12, of 1,385,000 *l.* proposed to be spent according to that Sub-Head, without any definition, whereas in the previous Estimate there had been, I think, 14 or 15 heads under which the Sub-Head was shown. The objection was met by the Accountant General of the Army by the statement that details would be furnished in the Appendix. That involves the opening in the War Office books of ledger headings under which the money will be apportioned. We shall watch that apportionment, and shall be able to report to Parliament whether or not that apportionment has been followed. It is an affair of the Treasury; but as I am speaking now rather for the interests of financial control, I think I should mention to the Committee that the Treasury will not have, necessarily, any control with regard to the apportionment of these Heads; and there is this further objection to it, upon the ground of principle, that this opening of ledger Sub-Heads is an act of grace, a favour, so to speak, upon the part of the War Office, not an act of obligation, that is in consequence of the transfer to Part III."

490. As I understand, there are two points in your Report which it would be better to keep separate before the Committee. The first is that by the reduction of the number of Sub-Heads the Treasury control has been diminished; and also the Departments are not bound as a matter of law to give the full details, which they did give before the change, but only do it as a matter of grace?—Yes.

491. That point has been, to some extent, met, since the year that we are now considering, by an increase in the number of Sub-Heads; they were reduced from 27 to 6, and now they have been increased to 10?—That is so.

492. But there still remains the point as to the form in which the information is given of the details of the expenditure under Sub-Head B., "Ordnance Stores." as to the way in which the details of this large amount, of which you spoke in your evidence (which was in the Estimates 1,385,737 *l.*), are shown on the one hand in the Estimates, and on the other hand in the Account. In the Estimate there are details given under a number of horizontal heads which, I understand, are followed in the Account?—Yes, not entirely but practically.

493. You have no complaint to make upon that subject, I understand?—No.

494. But there is this other information, is there not, which is given under the three heads I have already mentioned, namely, "Equipments and Reserves," "Annual Maintenance," and "Repayment Services," which is followed by no corresponding details in the accounts?—Yes.

495. And your contention is that if the infor-

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Chairman continued.

mation is not to be followed in the Accounts, it would be better not to show it in that part of the Estimates, but either to put it in an Appendix or in a separate Paper?—Yes. I do not agree with the view which Mr. Knox has given to the Committee that it is for the advantage of Parliament to have details which are not subsequently verified. I think that they have a tendency to be illusory, and that it is far better not to throw out suggestions of how a certain thing is going to be done or might be done, when it is not intended really to bind the Department to the way in which it is done hereafter.

Mr. *Barran.*

496. When it cannot be traced?—When it cannot be traced.

Mr. *Arthur O'Connor.*

497. But have we not something very analogous to this in the case of Post Office Buildings, where the Postmaster General gives an enormous list of buildings in connection with new Post Offices all over the kingdom, and where we see year after year that scarcely one out of a hundred of those in the list is taken in hand, and also that a great many not mentioned in his original Estimate have been not only taken in hand, but completed; it is impossible that he should be tied altogether to his list, and yet at the same time it is of some advantage to have the list furnished?—The probabilities are that the Postmaster General could give very good reasons for every departure from that particular list.

498. Would not the War Office be able to give reasons in the same way?—The War Office cannot tell you whether they have gone near their division or exceeded their division or anything else. The Postmaster General can tell you whether he has spent any money upon a particular building or not, and how it has been spent; an account of each building must be kept.

499. But if the War Office cannot tell you whether they have gone anywhere near their original programme, on what materials do you understand that programme to be drawn up?—I fail to understand the basis of the programme altogether; I do not know what it is.

500. (To Mr. *Knox.*) Is it really speculative, or is there not a substantial reason for putting down the figures that appear there?—There is a substantial reason; it is calculated what the ordinary consumption of, say ammunition, is likely to be during the year; the value of that is put down in the consumption column, and any payment that was made for replenishing or enlarging the stores would be stated in the Estimates in the Reserve column. But, certainly, if the House of Commons does not want the information, I daresay that the Secretary of State would not object to omitting it.

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Vote 12.—Warlike and other Stores, Supply and Repair—*continued.*

Chairman.

501 I think the particular point which I am raising has been a little lost sight of; the point that I am raising is, whether information of this character should appear in a part of the Estimates where details appear exactly on a par with those which are followed in the Accounts; that is the point?—As explained by the Comptroller and Auditor General, they are not necessarily followed in the Account He has just now stated that the details under the Sub-Heads are given by the Department more or less as an act of grace where they are given. It does not follow that the Account contains the information at all.

502. You have yourself admitted that the totals which come in the fourth column here are followed; they are the totals corresponding to the horizontal entries?—They are given in the Appendix, and not in the body of the Account.

503. By the Appendix I presume you mean Part III.?—No; in the Appendix to the Account. If you look at the Account, it is not stated in the body of the Account; if you refer, for instance, to the Appropriation Account, these are the headings in which the Account is rendered.

504. They are given in the Appendix to the Appropriation Account?—Yes.

505 But those are figures corresponding with the fourth column of Part III. of the Estimates?—Yes, it is not usual to give that information as regards all the items of the Vote, but it is given as regards that column in the case of Store Votes specially.

506. Is it not a little misleading to give it exactly on a par with those other details which are not followed in the Accounts?—It is not misleading so far as I can see. It is information given to enable those who consider these matters to decide as to whether the Estimate is a reasonable one to ask for.

507. Would it not be better that the details which are to be followed in the Account should appear in one place, and that the details, which there is no intention of following in the Account, should be given in another place?—I do not think so.

508. (To Mr. *Ryder.*) As I understand, the view of the Treasury is that that would be the better course to adopt?—The Treasury incline to that view. They incline also to doubt the reality of these figures, because the War Office authorities themselves could not verify them.

509. You want, as I understand, Part III. of the Estimates to be confined, as far as possible, to real Estimates of Expenditure, and, therefore, to details which can be followed in the Account?—That is so; we had before us the fact that Part II. was being very much denuded of detail, and,

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Chairman—continued.

and, as the Comptroller and Auditor General explained to the Committee, the effect of that was somewhat to limit the Treasury control. We were, therefore, anxious that the details removed from Part II. into Part III. should be of a kind that the Audit Office could follow in the Accounts, and when we found that some of the details in Part III. could not be followed we expressed objection to them, and pointed out that they were probably illusory.

Mr. *Arthur O'Connor.*

510. You may remember that 20 years ago this very point was threshed out well before the Public Accounts Committee; you will find it referred to in the Digest of Reports from the Committees of Public Accounts, which the Comptroller and Auditor General has given us at page 116 in the following words:—"In the second paragraph of the Comptroller and Auditor General's Report, he adverts to the fact that the classification of the expenditure under Sub-Head I. is not according to the 13 detailed heads. It does not appear to your Committee that the Accountant was bound to render his account under more than the principal Sub-heads mentioned in the Estimate; but the object of the Comptroller and Auditor General, which is in their judgment a proper one, would be attained if the Treasury were to require that more principal sub-heads should be shown upon the Estimate; there would then be consequentially a greater subdivision in the account." Could not the Treasury, by insisting upon the increase in the number of sub-heads, very easily meet the point which has been raised by the Comptroller and Auditor General now?—Certainly it could do so. It was considered convenient to reduce the number of Sub-heads, and we wished to minimise any consequential evil that might arise from that by taking care that the items in Part III. should be such as the Audit Office could test.

511. But will not you then be shifting the ground that was taken up by the Treasury 20 years ago and recognised by this Committee, namely, that the Accountant is not bound to account except under the Sub-heads; that is under Part II. of the Estimate. If you propose that he should so elaborate Part II. in Part III. under a very large number of sub-heads and attempt to hold the departments to each of those sub-divisions, you are extending the check which you have never recognised before, which has never been insisted upon, and which is not according to the Appropriation Accounts?—I think it has been the practice for very many years, much longer than 20 years, to add schedules of details to the Appropriation Accounts in the case of the Army. For instance, for Works the items in Part III. are all followed in detail, and I think the Accounting Departments have never refused to obey the requirements of the Treasury with

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Vote 12.—Warlike and other Stores, Supply and Repair—*continued.*

Mr. *Arthur O'Connor*—continued.

regard to keeping Ledger headings for the particular items in Part III.

512. Would it not be better to keep it on the plan which was decided upon at a time when there were very strong men on this Committee, in 1869–70, and cause the Sub-Heads to be multiplied rather than have Part III. extended?—It is a matter of opinion. It is quite possible that we have not added to the Sub-Heads of Vote 12 as much as we ought. We should, of course, listen to any recommendation the Committee might make upon that point.

513. But it is a recommendation already laid down, and well established 20 years ago?—I do not think we have held that the recommendation of the Committee 20 years ago prevented our diminishing Sub-Heads when it appeared to be convenient to do so.

Chairman.

514. (To Sir *C. L. Ryan.*) You pointed out in your evidence that there was no obligation on the part of the War Office to give details corresponding to Part III. in their accounts, but that it was a matter of grace; the obligation was with regard to the Sub-Heads of Part II.?—Yes, as I understand that was done for the satisfaction of the Army Estimates Committee at the time. (Mr. *Knox.*) I think I can explain something with regard to this point. The Estimate which was before the Army Estimates Committee was a test one, which embodied the change following the separation of the Ordnance Factories. It was known that there must be considerable difficulty in carrying out that change, and therefore it was thought advisable, at all events in the first year, that we should have as much power within the Department of adjusting matters which were likely to arise, as the form of the Estimates would allow; and for that reason only one Sub-Head was taken for the whole of the Ordnance Stores, which included, I may say, all those which were to be made in the factories. I do not think it was intended that that should be continued for more than that one year; at all events a change has been made since then and a larger number of Sub-Heads has been shown. But one of the great advantages gained by the House of Commons, and intended to be gained by this change was, that instead of having very large sums taken under one Sub-Head of wages and materials, that is metals, timber, and so on, under this system we showed, for the first time, what the productions were to be of those wages and materials, and the Vote was sub-divided under those various heads of the articles, either to be purchased or manufactured. That change necessitated a considerable amount of revision of the arrangements, leading to considerable difficulties, and it was thought, in giving this additional information, of what was to be the product of those wages and materials, that some diminution should be made of the Sub-Heads

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ARMY APPROPRIATION ACCOUNT.

Vote 12.—Warlike and other Stores, Supply and Repair—*continued.*

Chairman—continued.

which existed before. Those formerly given contained merely the payments to the contractors for those particular articles, although we might turn out in the factories a very large quantity of exactly similar articles. Very much additional information was given, and, at the same time, the number of Sub-Heads was reduced.

515. I think, after the conversation that has occurred, you will recognise that there is some distinction between the reliability of the Estimate under the horizontal heads and under the vertical heads; the one can be tested afterwards and the other cannot?—Certainly; one is explanatory really; that is all.

516. The question really for the War Office to consider (and perhaps they will consider it) is, whether this explanatory information would not be less misleading if it were separated from the Estimates which are followed in the Accounts?—Certainly; and no doubt the Secretary of State will consider that point.

517. (To Sir *C. L. Ryan.*) Have you anything further to suggest upon this point?—I think not.

EFFECT UPON VOTE 12 OF THE ORDNANCE FACTORIES VOTE.

Chairman.

518. (To Sir *C. L. Ryan.*) That is another feature of difference between the Estimate of 1887–88 and that of 1888–89, namely, that the cost of the manufacturing establishments at Woolwich, Enfield, Waltham, and Birmingham are no longer provided for under Vote 12, but they are now provided for by a separate Vote, standing apart from the ordinary Army Votes?—Yes.

519. Under the new system of administration you report that it is optional with the War Office authorities either to obtain stores from the Ordnance Factories on payment of the cost of production, or in the open market as may be deemed most advantageous to the Service, the expenditure in either case falling upon Vote 12?—Yes.

520. You see considerable advantage in this change on account of the possibility of comparing the estimated with the actual expenditure on the various classes of stores?—Yes; previously they had been shown under the heading of "Materials" and "Wages."

Mr. *Barran.*

521. (To Mr. *Knox.*) In estimating the cost of production, is the cost of the establishment now included?—Certainly; it is the whole cost.

Mr. *Arthur O'Connor.*

522. Does the cost include pensions?—Yes; there has certainly been a change as regards the system of charging some of the pensions against the Factory Vote; but as regards pensions which

ARMY APPROPRIATION ACCOUNT.

Effect upon Vote 12 of the Ordnance Factories Vote—*continued.*

Mr. *Arthur O'Connor*—continued.

are to be continued, and which are in force, those are included in the Ordnance Factory Estimate.

523. Do I understand then that you distinguish between different classes of pensions connected with the Ordnance Factories?—As to the charge against the Vote, certainly.

524. What is the distinction?—It has been decided that the pensions which have been granted in past years to artificers, who have been long since discharged, should not be borne now as an ingredient of the charge for the articles which are now turned out at the factories.

525. The artificers' pensions, I understand, are not borne?—Artificers' pensions are not borne.

526. What pensions are borne?—The pensions of the superior establishments, pensions of the clerks, for instance.

527. Am I to understand then that the pension of a clerk of 200 *l.* would be borne, but that of an artificer who has got a pension of 100 *l.* would not be borne?—It is not for that reason.

528. But is that the fact?—Yes, that is the fact.

529. What is the principle underlying that distinction?—The principle is that the pensions for artificers are no longer granted except to those who have a right under old Acts. They do not represent the present cost of the out-turn by these factories; they are not an ingredient in the present cost; that is to say, they are really a payment on account of a past and obsolete system.

530. But the existing pensions to clerks are also based, are they not, upon a service which expired before the pension system was established?—Yes, but the system is still maintained, and all these men who are serving in this position are entitled to pensions, and will continue to receive them.

531. One can quite understand that that is so as regards those who are still on active service; but as regards those who are now pensioned, surely the same rule would obtain; like case, like rule, I presume?—As regards those who are pensioned now as regards clerks the charge is borne, but not as regards artificers.

532. But I do not understand upon what principle this distinction is made?—The pension to artificers is a remnant of a past system, and for that reason it is thought that it was not fair to charge the production account with the cost of those pensions which have been granted in the past.

533. Artificers who are now on pension are men who served anterior to the establishment of the present system?—Yes.

534. And clerks who are now on pension in the same way, are men receiving pensions in respect of service rendered anterior to the establishment of the present system; why then are those men not all treated alike?—Because the system

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ARMY APPROPRIATION ACCOUNT.

Effect upon Vote 12 of the Ordnance Factories Vote—*continued.*

Mr. *Arthur O'Connor*—continued..

system of granting pensions to artificers is a past system; whereas the system of granting pensions to clerks is not a past system; it is a system in force now.

535. But in respect of the individuals now on pension, surely the same rule ought to obtain, ought it not, because they are exactly in the same boat?—I think not.

536. However, as I understand, that arrangement commends itself to the authorities as sufficiently logical?—Yes.

Paragraphs 31, 32, 33, 34, 35, and 36 postponed.

FINAL CHARGE FOR GUNPOWDER NOT SUPPLIED in 1888–89.

Chairman.

537. (To Mr. *Knox.*) It seems that on the 30th of March 1889 a payment of 1,200 *l.* was made to a firm of contractors, being an advance of 80 per cent. on the value of a supply of 400 barrels of gunpowder, and that the payment was recorded as a final charge against Vote 12; the whole of this gunpowder had not been proved, and when it was proved 200 barrels were rejected as unfit for the service, and eventually the whole amount of gunpowder was not supplied by the contractors, and of the money which had been paid in advance (the 80 per cent.), 75 *l.* had to be repaid by the contractor, thus leaving this Vote debited with 1,125 *l*, the full value of the 300 barrels which were accepted. This seems to have been a very irregular proceeding; can you give any explanation?—This question of making payments in advance of proof or examination, of course, is one which has been frequently before this Committee. My own opinion is that all such payments are irregular and should not be permitted. I believe the Comptroller and Auditor General has suggested (not in this Report, but I think on some of the Navy Accounts) some method of getting over the difficulty, as regards such stores as may be actually delivered, by allowing a payment to be made to the contractor, but charged to a suspense account, and only such portion of the charge for the materials as may be passed on subsequent inspection being allowed as a final charge against the Votes. I think it is a hard case on a contractor when he delivers his stores, as he may do probably, up to time, that the Department is frequently not in a position to inspect them; and that does occur, no doubt, frequently when there is a great rush of purchases.

538. Principally, I suppose, in the month of March?—No, I think not; I have known cases very much earlier when the Inspection Department is very much pressed.

539. Still it is often so, I presume, in the month of March?—Yes; there is a desire on the part of the Department to make the payment at

ARMY APPROPRIATION ACCOUNT.

Final Charge for Gunpowder not supplied in 1888–89—*continued.*

Chairman—continued.

that time in order to make the charge against that year; but I understand that the Comptroller and Auditor General is by no means averse from such an arrangement as that. I think that that would get over some of these difficulties, but as a matter of principle I am personally opposed to all such advances.

540. (To Sir *C. L. Ryan.*) I see that you suggest, in the last sentence of this paragraph of your Report, that the amount might have been charged to a personal account, instead of being charged as a final payment?—Yes; if it is charged to a personal account, it is not finally dismissed in the same way as a final payment is. Any final payment that is once passed in an account, as far as I am concerned, is never revived again.

541. As it is, nothing appears in the Appropriation Account to show that there was this liability of the contractors; whereas, if the payment had been charged to a personal account, that object would have been secure?—Yes.

Mr. *Barran.*

542. When you speak of a personal account, I suppose you mean an amount on account?—No; I mean an account opened in the name of the individual, which must be cleared.

543. Then it would be more in the form of an advance account?—Yes. (Mr. *Knox.*) No charge would be made against the Vote; but I understand the Comptroller and Auditor General to be willing that, should these stores, having been delivered before the 31st of March, be subsequently passed, then the charge may be made against the year in which the advance was made. (Sir *C. L. Ryan.*) Quite so.

Chairman.

544. (To Mr. *Ryder.*) Has the Treasury any remark to make upon this point?—I think the Treasury will agree to the arrangement that has been suggested by Mr. Knox and the Comptroller and Auditor General.

On VOTE 12.

KYNOCH & CO.'S PATENT RIGHTS.

Chairman.

545. (To Mr. *Knox.*) Turning to page 42 of the Appropriation Account, I observe that there is an item for payments in connection with Messrs. Kynoch & Co.'s patent rights which corresponds to no item in the Estimates; the payment amounts to 3,810 *l.* 0 *s.* 8 *d.*, and I observe that no sufficient explanation of this is given on page 43, the only remark being "Approved by Treasury;" do you not think that in the case of a payment of that kind fuller information should be given to Parliament with respect to the payment?—I think so, certainly; I was under the impression that the letter approving it had been published.

 546. What

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ARMY APPROPRIATION ACCOUNT.

Final Charge for Gunpowder not supplied in 1888–89—*continued.*

Chairman—continued.

546. What was the nature of the charge; under what circumstances did it arise?—I cannot say that I am prepared to answer that question; I did not know that the point was likely to be raised.

547. (To Mr. *Ryder.*) Have you got the letter of the Treasury upon the subject?—I have the correspondence here.

548. Perhaps you could throw some light upon it?—It seems that Messrs. Kynoch & Co. had a patent for a particular process of lining cartridges, and the War Department held that their patent had been infringed, and they applied to the Treasury for authority to pay 10 per cent. upon the value of the cartridges, made and lined in this particular way, to Messrs. Kynoch. The Treasury gave the requisite authority upon condition that a separate Sub-head was opened for the payment. It appears to be not an uncommon thing to find a Sub-head of this kind in Vote 12, "Compensation to Contractors," or "to Patentees;" but I think it is usual to print the correspondence in such a case. (Mr. *Knox.*) It is certainly usual; it is an oversight in this case.

549. Perhaps that correspondence will be handed in?—Certainly.

Mr. *Arthur O'Connor.*

550. (To Mr. *Ryder.*) Is this in the nature of a royalty paid to Messrs. Kynoch, or is it a payment for a license to manufacture and use the patented article?—It was considered that Messrs. Kynoch might have made a profit upon their patent for lining these cartridges, of which some 15,000,000 had been made by the War Department, and in order to compound this possible profit at a fair rate this payment was made.

551. What I am asking is, whether this is a payment by way of purchase of their rights for a license to manufacture, or is it merely a royalty paid upon a certain quantity manufactured?—I think it was only in respect of the past manufacture of cartridges.

Chairman.

552. You spoke of a payment of 10 per cent. upon the value, as I understand?—Yes, 10 per cent. upon the value.

Mr. *Salt.*

553. Have you made any arrangements for the future use of this patent?—I do not think that the Treasury have been asked to make any arrangement for the future.

Chairman.

554. (To Mr. *Knox.*) Do these payments to Messrs. Kynoch and Co. still go on?—No, they are not going on.

ARMY APPROPRIATION ACCOUNT.

On VOTE 13.

WORKS, BUILDINGS, AND REPAIRS; COST, INCLUDING PAY, &c., OF SUPERINTENDING ESTABLISHMENT; UNVOUCHED CLAIM FOR WAGES OF LABOURERS ON THE SUAKIN-BERBER RAILWAY.

Chairman.

555. (To Mr. *Knox.*) Another charge appears on these accounts for the Suakin-Berber Railway of 269 *l.* for the wages of labourers employed upon the railway; it seems that the vouchers cannot be traced; but I think there was evidence, was there not, that there had been vouchers?—Yes, and evidence of payment.

556. (To Mr. *Ryder.*) I think they were produced to the Treasury, and the Treasury were satisfied?—There is a mention of vouchers in the certificate, so that the vouchers must have existed.

557. Under those circumstances the Treasury authorised this payment?—Yes.

558. (To Mr. *Knox.*) Can you tell the Committee what has been the total expenditure upon the Suakin Berber Railway?—I have no note of it here; it has been furnished to Parliament.

559. But now we have an additional payment?—Yes, certainly; this amount of 269 *l.* was omitted, but, of course, that is infinitesimal as compared to the total charge.

560. Perhaps you would look up the figure and let me have the amount?—I will do so.

On VOTE 14.

MILITARY EDUCATIONAL ESTABLISHMENTS; OVERPAYMENT OF EXAMINERS' FEES.

Chairman.

561. (To Mr. *Knox.*) It seems that in making a payment to examiners who have been employed during the year 1887–88, the War Office made deductions of 10 per cent., according to the rule framed by the Treasury, and that on an appeal from these deductions the War Office decided upon a different interpretation of the words "first year" in that rule to that which they had previously acted upon, and repaid the amounts they had deducted, holding apparently that the "first year" meant the year of employment after the passing of the Act, namely, the year 1888–89; before placing this new interpretation upon the Treasury Minute, was the Treasury consulted?—No.

562. Would not that have been the more regular course?—I think not. It was held that that was a fair interpretation of the decision at the War Office. But attention was drawn to the case by the Comptroller and Auditor General, and the Treasury distinctly stated that that was not their intention, and accordingly the officer has been called upon to pay up the money, which he has done. The point was not quite clear

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ARMY APPROPRIATION ACCOUNT.

Vote 14.—Military Educational Establishments; Overpayment of Examiners' Fees—*continued.*

Chairman—continued.

clear as to the application of the Act to these payments of fees. It was held to apply to salaries and appointments, and the view was that it should not affect such a payment as these fees, but the Treasury decided that it was to do so, and it was that which led to the uncertainty of opinion with regard to it; it was thought that this was a new rule, and that it should apply from the time that the Treasury gave the decision.

563. That is a different explanation from that which appears here. If you will look at the third sub-paragraph of paragraph 41, you will see that the explanation which appears here is, that "the War Office decided that the 'first year' should be considered to be the year of employment after the passing of the Act"?—That was my recollection of it, certainly.

564. Do I understand that the sum of 55 *l.* 11 *s.* 2 *d.* has been recovered?—Yes.

On VOTE 15.

MISCELLANEOUS EFFECTIVE SERVICES.

Chairman.

565. (To Mr. *Knox.*) Turning to page 52 of the Appropriation Account, I see another item for which no explanation appears except the words "an unprovided service"; it is an item in respect of expenses in connection with the detention of Zebehr Pacha. Is not that a case in which fuller information should have been given?—Yes, I think the authority for it which we had from the Treasury should have been inserted in that case.

566. What was the nature of the expense?—The maintenance at Gibraltar of Zebehr Pacha.

567. Had not that been estimated for?—No.

568. (To Mr. *Ryder.*) Perhaps you could enlighten us upon the subject; what led the Treasury to give its sanction to this item?—I may perhaps explain that this item has appeared for four years consecutively in this Vote, and always in this form as an expense not provided for in the Estimates. It began in 1885, and the War Office printed the correspondence with the Treasury in connection with the Appropriation Account for 1885-86. As that was done, perhaps it was not thought necessary to repeat the correspondence in a later year.

569. (To Mr. *Knox.*) That expenditure, I understand, has now come to an end?—Yes.

Mr. *Barran.*

570. I observed there is a deficit of 472 *l.* due to an over-estimate of fees for admissions to the Tower Armoury; that is a very large sum of money to be deficient, is it not; can you give us any explanation with regard to that?—This sum is calculated upon the general average of receipts, and I presume they fell off that year; I really do not know for what reason.

ARMY APPROPRIATION ACCOUNT.

Vote 15.—Miscellaneous Effective Services—*continued.*

Mr. *Arthur O'Connor.*

571. Were the Tower Armouries closed for a time?—Not in this year, I think.

Mr. *Barran.*

572. May it be accounted for by the fact that the general public have very much less attention paid to them at the Tower than formerly; there are no men appointed there now I believe for the purpose of explaining the objects of interest, as formerly, and probably much less interest is felt in the institution than when explanations were given by the officials of the Tower?—I do not know as to that; it may be due to that.

On VOTE 16.

WAR OFFICE.

SALARIES AND MISCELLANEOUS CHARGES.

Chairman.

573. (To Mr. *Knox.*) In the Treasury Letter on page 96, attention is called at the latter part of the letter under the heading "Deficits" to a deficit on the War Office Vote, and the Treasury remark that it might have been foreseen before the close of the year 1888–89; there was a net deficit of 1,210 *l.* 3 *s.* 9 *d.*; has the War Office any explanation to furnish as regards the fact that that deficit was unforeseen before the close of the year?—I think that probably such a deficit as that might have been foreseen. Of course the expenditure of the War Office is very well in hand, and I have no doubt we knew at that time that there was this deficit.

574. Then it would have been more regular, would it not, to have acquainted the Treasury at an earlier date?—Yes, in the letter written to the Treasury before the end of the financial year, I think that such a deficit should have been alluded to.

575. (To Mr. *Ryder.*) Have the Treasury any particular reason for calling attention to the point?—They thought that the expenditure out of the War Office Vote could easily have have been foretold in the last month of the year.

On VOTE 23.

OUT PENSIONS.

EFFECT OF CANCELLATION OF DISCHARGE UPON A SOLDIER'S PENSION.

Chairman.

576. (To Mr. *Knox.*) The case of the operation of the cancellation of a discharge upon the pension of T. Davin, late a bandsman in the Grenadier Guards, seems somewhat similar to that which the Committee have already considered in

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ARMY APPROPRIATION ACCOUNT.

Vote 23.—Out Pensions; Effect of Cancellation of Discharge, &c.—*continued.*

Chairman—continued.

the case of Mr. Holdgate. This is a case in which apparently the soldier was discharged on the 3rd of August 1875, and did not return to military service till the 15th of February 1877; but it seems that he draws his pension for the whole of that interval of more than 18 months?—That is so

577. I suppose you would make, in this case, the same admissions that you made in the case of Mr. Holdgate?—It is a system which is not satisfactory, and we are asking the Treasury to give us powers which will admit of its being done away with.

578. (To Mr. *Ryder.*) I think the correspondence is still going on with the Treasury?—It is still pending.

579. With regard to this particular pension, has the Treasury given any final decision yet as to whether it will pass the payment?—The particular case has not been submitted to the Treasury. The War Department propose general powers for the future, but did not ask sanction for this case.

580. In this case and the previous case is not that sanction necessary?—So far as my own opinion goes, the right course would have been to have submitted both these cases to the Treasury for a special concession under the dispensing Warrant.

581. (To Sir *C. L. Ryan.*) Is that your view also?—Certainly.

582. Are you unable to pass this payment until that sanction has been given?—I think it would be far more satisfactory to have that sanction before it is passed.

583. In both cases?—In both cases.

Sir *Walter Barttelot.*

584. (To Mr. *Knox.*) What constitutes the possibility of a man having been discharged re-entering the Army and then counting his services as if he had never been discharged at all?—That is what this practice does.

585. My question is, what constitutes it; when was it instituted or when did it first commence?—It arose when the Warrant was withdrawn under which previous service was allowed to count in the case of men who were re-enlisted. Certain cases arose in which it was thought when men were allowed freely to extend their services beyond the periods of seven years and twelve years, that such men as those were hardly treated if they were not allowed to come back if they wished to serve; and the only manner in which they could be allowed to come back and count their former service was by cancelling their discharge.

586. Then you did not make them serve on to make up their time, but they having been discharged and having been doing other things you gave them the privilege of counting that time when they had nothing to do with the Army?—Yes.

ARMY APPROPRIATION ACCOUNT.

Vote 23.—Out Pensions; Effect of Cancellation of Discharge, &c.—*continued.*

Mr. *Arthur O'Connor.*

587. Do the Treasury agree to allow the Secretary of State or the Commander in Chief to have the power to do that?—No, it is proposed to put an end to it.

Chairman.

588. It is proposed, as I understand, that in future the period of actual service in the Army will be taken into account, and that there will be no pension paid upon the period during which the soldier was absent from the Army?—Yes, provided he rejoins the Army within a certain time.

On VOTE 24.

SUPERANNUATION, COMPENSATION, AND COMPASSIONATE ALLOWANCES; PENSIONS CHARGEABLE TO ORDNANCE FACTORIES VOTE, PROVIDED UNDER VOTE 24.

Chairman.

589. (To Mr. *Knox.*) I observe there is a difference of opinion between the Treasury and the War Office as to the precise mode in which certain pensions should be charged; whether they should be charged as credits to the several Expenditure Sub-heads of Vote 24, or to the Credit Sub-head of the Vote; that is, to the Appropriation in Aid?—Yes. This is a technical point arising from the way in which this was treated in this particular year. In the Estimates in future years provision will be duly made for it in the Ordnance Factories Vote, and it will be omitted from the Army Estimates altogether. What the Comptroller and Auditor General pointed to was that as provision had been made for it in Vote 24 of the Army Estimates, it was necessary to make the charge against that Vote, notwithstanding that it was subsequently tranferred to the Ordnance Factories Vote. As the gross charge is made this credit is taken. I should have thought it was not of very much consequence whether it were carried to the Sub-heads of this Vote, or to the Appropriation in Aid.

590. (To Mr. *Ryder.*) But I understand the Treasury to insist upon the view that the proper course is to show such amounts among the Appropriations in Aid?—Yes, that is their view, and the view of the Audit Office, as I understand.

591. I suppose in a similar case that course will be pursued in future by the War Office?—(To Mr. *Knox.*) Such a case is not likely to arise.

592. But if it did arise would that course be pursued?—In an exactly similar case it certainly would.

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ARMY APPROPRIATION ACCOUNT.

VALUATION OF RESERVE STORES.

Chairman.

593. (To Mr. *Knox.*) It seems that this year a statement has been given in the Valuation Statement of Land Service Stores in Reserve depôts which furnishes, in addition to the old statement, a new valuation of serviceable stores at vocabulary rates, Repairable Stores being valued at 75 per cent. of those rates, doubtful Stores at 50 per cent. and Unserviceable Stores at 10 per cent.; and it appears that the difference between the old and new valuation amounts to 976,060 *l.*, and odd; is it intended to continue to give this statement in future?—The Comptroller and Auditor General attaches no importance to it; and it is for the Secretary of State to consider whether under the circumstances it should be presented. He will have the information in his own Department, but it has not yet been decided whether it should be omitted from the account or not.

594. Was not the old statement, containing merely the vocabulary rates, rather a misleading statement?—I think not.

Mr. *Arthur O'Connor.*

595. I should like to ask you some questions about the form shown on page 157. In the first place, as regards the value under the 31st of March 1888 of each section at vocabulary rates, I take it that those values are taken at full prices, reckoning the stores as new?—Yes, I understand you to refer to the first column.

596. I am referring to the column which totals up to 8,800,000 *l.*?—That is the previous year, 1888; 1889 is the next column.

597. I am referring to the first column: does not the new valuation show that the total was overstated by nearly one million sterling?—If it were held that this was the real valuation of the stores, it would be so.

598. As the figures stand with the new valuation, would it not appear to show that that was an over-valuation of a million, or nearly a million, sterling?—But this is not regarded as a valuation of stores at all; this is a Return given in order to furnish information generally as to the condition of the stores, not as to the value of the stores.

599. But I see the Return is headed "Stores"; and there is a column showing "Value of each Section at Vocabulary Rates," and it totals up to 8,800,000 *l.* Then there is the column "New Valuation"; and, comparing the old with the new, it would appear at any rate that the former was over-stated to the extent of something between 900,000 *l.* and 1,000,000 *l.*?—No, I do not admit that it was over-stated. It is stated in excess of the new system of calculating.

600. If the new system is worth anything, or if it is reliable, this first column must be a million too much, must it not?—It is a million in excess of the other.

601. What is the value of this Statement, either for the one year or the other, if there is

ARMY APPROPRIATION ACCOUNT.

Valuation of Reserve Stores—*continued.*

Mr. *Arthur O'Connor*—continued.

that discrepancy?—It is only of value inasmuch as it gives the House of Commons an idea as to whether the stores classified under these various heads are being kept up or not

602. But surely it does not give them any idea whether they are being kept up or not, because a mere alteration in the valuation will make a difference of 12 per cent. in the total. It gives a very misleading idea, does it not?—I think the other classification was better than the new one, as giving a notion of the stores in hand.

603. Then instead of going from bad to better, you are going from bad to very much worse?—That is my opinion.

604. What would you advise?—I should advise adhering to the old system.

605. However misleading the figures may be?—I think they are not misleading; they give according to that system a notion as to how far the quantities of the stores under those classes are being maintained.

606. Is there any current stocktaking of the Ordnance Stores, that is to say, a daily, or a weekly, or a monthly running stocktaking?—There is a constant stocktaking going on, that is to say, a comparing of the stocks with the tally-boards by the storekeepers. It is one of their principal duties that they should be constantly going over their stores, and comparing them with the tally-boards, but from time to time there is a more systematic remain taken whenever they are changed, and also periodically.

607. Who carries that out?—It is carried out under the various officers; it may sometimes be the local officers, and sometimes some one from the War Office is detached for the work.

608. Who is the responsible head of that branch?—The Director of Artillery. I have the power of sending down some one from my branch, if I think that it is advisable to check it in any way, or to take an independent remain; but the responsibility of taking the remains does not rest with me.

609. Is there any independent remain that is being kept up constantly?—Yes, the system is to take regular remains.

610. Who is the responsible officer who has officers under him constantly engaged in taking this remain?—It would be the Store Officer under the Director of Artillery.

611. Are there officers told off for the purpose of taking the remain permanently?—No, they are not specially told off; officers from his Department do it from time to time.

612. As the stores are issued?—No.

613. Are there certain stocktaking officers engaged weekly or monthly?—No, but it is the duty of the storekeeper to keep an eye on the condition of his stock, and to compare the tally-board with the stores in his possession.

614. Clearly, if an officer of receipt and issue does not keep his accounts right, he is guilty of dereliction of duty; but are there any officers whose duty it is to go down and check the stores

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12 *March* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. KNOX, C.B. [*Continued.*

ARMY APPROPRIATION ACCOUNT.

Valuation of Reserve Stores—*continued.*

Mr. *Arthur O'Connor*—continued.

which such issuing officer is in charge of, and compare them with his tally-boards?—No, it is not done except when a remain is taken, which is taken periodically.

615. Is there any current stocktaking by officers other than the mere issuing officers themselves?—It was generally a Board. There may be a military officer attached to the store officer, or connected with him in taking the stock sometimes; somebody is sent down from the War Office to assist in taking the stock; sometimes it would be a man from the Department of the Director of Artillery or from my branch who is conversant with the stock.

616. There appears to be no current stocktaking except by the issuing officer?—Not every day, but from time to time.

617. At the bottom of the page I see this note: "The amount was overstated, in page 180, of the Appropriation Account for 1887–88:" That note refers to "projectiles, including gunpowder and gun ammunition," which figure for 1,670,000 *l.*; that is reduced, I see, by about

ARMY APPROPRIATION ACCOUNT.

Valuation of Reserve Stores—*continued.*

Mr. *Arthur O'Connor*—continued.

337,000 *l.* in the new valuation, as regards that single item; what was the amount of over-statement in the case of that item?—I forget what it was exactly; it was some considerable sum; I think it was 20,000 *l.*

618. Is that all?—It was something like that; I cannot say that I remember precisely.

619. Could you ascertain what it was, and what the circumstances of the over-statement were?—Yes. A mistake was made by the storekeeper who made the return.

620. The total amount is out and away the largest item in this column, is it not?—Yes.

621. There appears to be a difference of one million and a third sterling in the totals of the two columns; probably a large proportion of the over-statement is due to that item?—I think it is not so. These are the corrected figures, and the over-statement on that item was something like 20,000 *l.*

[The Witness withdrew.

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Wednesday, 19*th March* 1890.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Donald Crawford.
Sir Ughtred Kay-Shuttleworth.
Mr. Lane.
Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

ARMY APPROPRIATION ACCOUNT, 1888 89.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. G. L. RYDER, C.B., re-called; and further Examined.

Mr. RALPH HENRY KNOX, C.B., re-called; and further Examined.

EXTRA DUTY PAY OF ADJUTANTS AND ASSISTANT ADJUTANTS.

Chairman.

622. (To Mr. *Ryder.*) REFERRING to Questions 324 to 326, you informed us at the last meeting of the Committee that a letter had been received from the War Office on the subject of extra duty pay of adjutants and assistant adjutants, and was being considered, and that you would give us further information to-day?—I can tell the Committee that the letter has been considered by the Treasury, and the Treasury has thought it satisfactory, and has now approved the extra duty pay to adjutants.

Chairman—continued.

On VOTE 4.

MEDICAL ESTABLISHMENTS, PAY, &c.

SUPPLY OF MEDICINES, &c. TO THE ARMY.

Surgeon General W. A. MACKINNON, C.B., called in; and Examined.

Chairman.

623. (To Surgeon General *Mackinnon*) I THINK you accompany Mr. Knox here to-day to represent the Medical Department?—Yes.

624. Have you seen the evidence that was given by Mr. Knox on the occasion of the last sitting of the Committee?—Yes, I have just seen it.

625. Will you give your view to the Committee as to the system under which two firms have the monopoly of the supply of medicines in England, and one firm in Ireland?—My view is that those two firms supply the Army very well, and, comparing their prices with the prices of wholesale houses, I consider that they are very fair and reasonable.

626. On what basis do you compare their prices with those of wholesale houses?—We compare the price of each article in our list with the prices in the lists of wholesale houses.

Chairman—continued.

627. The prices are higher than the prices of wholesale houses, I suppose?—Very little. I have brought a list here, showing in the different columns the comparative prices charged by the Society of Apothecaries of London, by the Apothecaries' Hall of Dublin, by Messrs. Savory and Moore, by Messrs. Barron, Harvey, and Company, and by Messrs. Evans, Lescher, and Webb, the great wholesale houses (*handing the Table to the Chairman*).

628. The first three columns represent the three firms which supply in England and Ireland?—They do.

629. And the last two columns are the two wholesale houses with which you make a comparison?

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ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicines, &c.—*continued.*

Chairman—continued.

parison?—Yes; Messrs. Barron, Harvey, and Company, and Messrs. Evans, Lescher, and Webb.

630. Would you illustrate the answer you gave just now by selecting two or three instances of drugs or medicines which are supplied in a very large quantity to the Army, comparing the prices which are paid on the part of the War Office with those which are charged by the wholesale firms?—I will take the first one on the list, gum acacia. The Society of Apothecaries for London charge 5 *s.* a lb.; the Society of Apothecaries for Dublin charge 4 *s.*; Messrs Savory and Moore, 5 *s.*; Messrs. Barron and Harvey have three qualities, for which they charge 5 *s.*, 5 *s.* 6 *d.*, and 6 *s.*; and Messrs. Evans, Lescher, and Webb charge 5 *s.*, 5 *s.* 6 *d.*, and 6 *s.* 6 *d.* I will take, as another example, ether, of which a large quantity is consumed. The Society of Apothecaries of London charge 5 *s.* a lb.; the Society of Dublin charge 5 *s.*; Messrs. Savory and Moore, 5 *s.* 4 *d.*; Messrs. Barron and Harvey, 5 *s.* 4 *d.*; and Messrs. Evans, Lescher, and Webb, 5 *s.* 9 *d.* Now I will take another item that is very largely used, namely, hydrate of chloral. The Society of Apothecaries of London charge 5 *s.* 9 *d.* a lb.; the Society of Apothecaries of Dublin charge 6 *s.* a lb.; Messrs. Savory and Moore charge 6 *s.* a lb.; Messrs. Barron, Harvey & Co. charge 6 *s.* a lb, and Messrs. Evans, Lescher, and Webb charge 5 *s.* 9 *d.* Then there is another item very largely used, namely, cubebs; for that the Society of Apothecaries of London charge 6 *s.* a lb.; the Society of Apothecaries of Dublin charge 6 *s.* 4 *d.* a lb.; Messrs. Savory and Moore, 6 *s.* 8 *d.*; Messrs. Barron, Harvey & Co., 6 *s.* 6 *d.* a lb.; and Messrs. Evans, Lescher, and Webb, 6 *s.* 3 *d.* a lb.

631. Do those prices that you mention from the three firms who supply you include their charges for packing and distribution?—Yes, in every case.

632. I noticed in that table some cases in which it would be difficult to institute a comparison; for instance, if you look at bicarbonate of soda, I see in one case the figures are price per lb., and in the other case price per cwt.?—That is so; they sell by wholesale at so much per cwt. We only get a few lbs. at a time, and they charge us by the lb.

633. Do you not also buy it by the cwt.?—No, I do not think we require it in such large quantities; we take only a certain quantity at a time.

634. You would take only a certain quantity which you wanted for a particular regiment?—Yes, or for a particular station hospital.

635. Would that always be measured by lbs., and not by cwts.?—Yes.

636. In that way would there not be a loss; I do not know how these figures which are stated by the lb. in the one column, and in the other column by the cwt., would compare; but I presume that the rate per cwt. is a cheaper rate than the rate per lb.?—Yes; but there would be a great loss if we took a great quantity and did not require it; it is a medicine that deteriorates very quickly.

637. (To Mr. *Knox.*) I think in your answer to Question 376 you said that you would inquire whether there would be any objection to showing to the Committee the Report that was made to Mr. Stanhope from the Army Medical Department; have you made inquiry as to that?—I thought that as the Committee wished to have Surgeon General Mackinnon before them it was not necessary to ask that question, and I have not referred to Mr. Stanhope.

638. (To Surgeon General *Mackinnon.*) Is it your opinion that you would not obtain the drugs at much cheaper rates if there were open competition, than under the present system?—You would obtain them cheaper, no doubt; but I doubt if they would be so good, and I should be very sorry to take the responsibility of arranging all these matters if the supply of drugs was thrown into the open market.

639. Do you think, allowing for the fact that the War Office would have to undertake the storing and distribution of the drugs, that there would be much gain in point of cheapness?—There would be no gain whatever; I think it would cost a great deal more than it does now. The contractors undertake the distribution of the drugs to as many as 500 hospitals throughout the kingdom and the colonies.

640. Are the prices of those drugs frequently changed?—They are changed according to the price in the public market every quarter. The lists are fixed for three months, and if, during the quarter, the price of quinine, for instance, were to rise tremendously the contractors could not alter the price so long as the three months' list is in force; so that they may be supplying a drug at a very considerable loss sometimes.

Mr. *Barran.*

641. They might get a very considerable gain if there was a fall in the market in the interval?—Yes.

642. Have you many complaints about the quality of the drugs?—Hardly any.

643. Is it very essential that you should always be able to guarantee the Army that you are getting your drugs from a source that is unquestionable?—It is of great importance.

644. There is more confidence among those who have to use the drugs when they know that they come from such a source?—Yes.

Mr. *Sydney Buxton.*

645. Could you explain upon what principle you go in paying a higher price to Messrs. Savory and Moore than to the Apothecaries' Hall for particular drugs; for instance, I have before me a list of drugs obtained from Messrs. Savory and Moore in September 1888, when you could have

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ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicines, &c.—*continued.*

Mr. *Sydney Buxton*—continued.

have got them at a lower price from the Apothecaries' Hall; to take one example: for linen sheeting, Messrs. Savory and Moore's charge was 2 *l.* 4 *s.*, and the price quoted by the Apothecaries' Hall was 1 *l.* 10 *s.*, and yet you accepted the higher tender instead of the lower; how is that?—I was not in the office on the date referred to. It appears that the quotations for linen sheeting given should have been 2 *s.* 4 *d.* and 1 *s.* 10 *d.* per yard, not 2 *l.* 4 *s.* and 1 *l.* 10 *s.* At the present moment the price of both firms for this article is 1 *s.* 10 *d.* per yard.

646. I will not press that particular case; but it is the fact, is it not, that you do sometimes, indeed, in a considerable number of cases, take drugs at higher prices from one of these two firms, though the other one may quote a lower price?—Mr. Becher, who has charge of the office dealing with these matters, points out that we could not divide the quantities between two establishments.

647. On what principle do you go, as to dividing your general orders between two establishments?—It is about half and half to each house.

648. Do you mean in the total amount that you pay?—Yes.

649. I understand that you pay these larger prices for certain articles because it would be too much trouble and expense, I suppose, to go into each item and divide it up between the two establishments?—More clerical assistance would be required.

650. How do you account for the considerably larger price that you pay for a great many of these drugs than the Navy pay for similar drugs?—The Navy buy in bulk, and we often buy in ounces and pounds.

651. It is the difference between wholesale and retail, is it?—Yes.

652. With regard to the prices you quoted, in reply to the Chairman, do they represent, practically, the discount which would be allowed off to retail traders by these wholesale houses, or would they get more than that?—I suppose that it would be exactly the same.

653. You think you practically get as large a discount as other firms would do if they were dealing on the same basis?—I should think so.

654. What knowledge have you which leads you to that conclusion?—The comparison of the price lists of the wholesale houses with the prices at which the drugs are supplied to us.

655. You are clear in your own mind, I understand, that it would be a mistake to open this to one or two more firms, and that it is best to keep it to these two firms for England?—I should say so; because they have been working at it for so many years, and they understand the subject so thoroughly and have given such satisfaction that I think it would be a mistake to alter the system.

656. You think that the goods have been satisfactory in quality, and also satisfactory in price?—I think so, certainly. I have gone into the subject frequently years ago when I was at

ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicines, &c.—*continued.*

Mr. *Sydney Buxton*—continued.

the War Office before, and I have never had any reason to doubt that the prices were fair and reasonable.

Chairman.

657. How long have you held your present office?—Ten months.

658. Who was your predecessor?—Sir Thomas Crawford.

659. But you were at the War Office before that, I understand?—Yes; I was head of the Medical Branch under Sir Thomas Crawford before that.

660. Was there the same system as to supplying drugs at that time?—Yes.

661. Were you connected with this particular work?—Yes; every quarter I went into every single item in all these accounts.

662. What is the precise system by means of which the particular station hospital gets its supply; does it make a requisition to you, and do you give the order?—Yes; I have here one of the requisitions which are sent to me.

663. With respect to the supplies sent to that station, do they all come from one of those firms, or do they sometimes come from one and sometimes from another?—Sometimes from one and sometimes the other. We have a reserve store at Woolwich for war service, and every six months we turn over and distribute what we have there as much as possible, and then it is filled up again from the contractors.

664. For most of these articles would you draw directly from Woolwich?—As regards a great number of them.

665. In that case the distribution occurs from Woolwich, and not from one of these firms?—A portion does. We have a very small staff for distributing those stores, consisting of a serjeant and five or six men, I think.

666. Would that apply to a station, we will say, in the north of England; would they draw from Woolwich?—They might draw certain things from Woolwich; but every requisition comes to me first.

667. You have told us that you place the orders half and half between these two firms; does that apply to every article?—Yes, I think so.

668. Even when there is a great difference between the prices charged by these two firms?—It is so, because I would not have time in my office to subdivide the requisition.

669. I observe that there may be as much as 20 per cent. difference in the price of the article supplied by Messrs. Savory and Moore and the same article supplied by the Apothecaries' Hall; is that so?—It cuts both ways; because if one firm is higher in some cases it is lower in others.

670. But it would not cut both ways supposing you always gave the orders for a particular article to the firm which charged the least for that article?—I do not think that we do that.

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Vote 4.—Medical Establishments, Pay, &c.; Supply of Medicines, &c.—*continued.*

Chairman—continued.

671. Exactly; you have already told us that you do not do that; and I was therefore pointing out that the War Office would get the advantage, and it would not cut both ways if you gave the order for a particular article to the one of those two firms which charged the least for that article?—Of course we would have to employ more clerical labour in drafting out those requisitions.

672. I confess I do not see that; would you not have a list of articles which you ordered from one firm, and a list of articles which you ordered from the other firm?—We would have to draft this order into two instead of one.

673. The Committee think that they will not trouble you with any further questions to-day; but if you would look at the evidence which was given last week, and the questions you have been asked to-day, when they are printed, and also at the 25th paragraph of the Comptroller and Auditor General's Report which we have before us, you will, no doubt, when we meet next week, be perfectly prepared to give your views to the Committee upon the subject?—Yes.

[Surgeon General *Mackinnon* withdrew.

On VOTE 9.

TRANSPORT AND REMOUNTS.

IRREGULARITIES IN COASTWISE FREIGHT OF ARMY STORES.

Chairman.

674. (To Mr. *Ryder.*) You gave an answer to Question 418 to the effect that this matter had been brought before the Treasury Solicitor only, and not before the Treasury as a Department, and I think you desire to correct that answer?—I do; I find that the matter was really brought before the Treasury, and the Treasury raised a question upon the item to the War Department, and suggested that either the firm should not be employed again, or, if it was employed again, the sum of money overpaid should be recovered.

675. (To Mr. *Knox.*) I think you undertook to consider at the War Office whether the report of the committee of officers upon this subject could be produced?—Yes; that point has been considered, and Mr. Stanhope's view is that it would not be advisable to present a report of this kind, examining into a personal question. He wishes it to be generally stated that he found that this service was not being worked in a satisfactory way; that large payments were made for tonnage which appeared to be hardly warranted by the capacity of the ships which conveyed the tonnage, and also the calculations that were made of the bills were not satisfactorily made or checked; that he directed this inquiry to be made, and the inquiry confirmed to a great extent the fact that the control was somewhat

ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Chairman—continued.

loose (it was absolutely in the hands of the Inspector of Shipping), and that he has altered that system. Those were the irregularities referred to. The measurements of the articles to be shipped were made by the subordinates in the Department, and the outside measurement was taken in all cases, though they admitted of being packed in a much more compact way, which would have reduced the charges for freight. It has been necessary, in order to set matters right, to incur a considerable amount of expense. It has been thought advisable that we should have a special transit store, for which a Vote has been asked from Parliament, in which these goods may be more thoroughly overhauled, and packed closely, and more satisfactorily measured before they are shipped. The form of contract which contemplates arrangements of this sort has been altered, and everyone who tenders of course accepts these new conditions. Mr. Stanhope thinks it would not be advisable to present the report *in extenso*.

676. Your answer indicates that, as the Comptroller and Auditor General has informed us, there were some grave irregularities connected with this coastwise freight of Army stores; is this not a case in which it is usual to produce the report of such an inquiry as has been conducted?—I think not; I think it would be an entire departure from the usual procedure before this Committee, which has always been understood to deal with matters of account, and not matters of administration. This was a matter of administration taken up by the Department, and dealt with and settled before the Comptroller and Auditor General in any way became acquainted with it. I do not know how he became acquainted with the papers, but they did come across him, and he reported upon this matter of administration, which is not a matter of account.

677. The two matters are evidently very closely connected, especially as this has led to excessive charges; is not that so?—Wherever there is unsatisfactory administration, no doubt additional expenditure is incurred. The attention of the Secretary of State was drawn to that, and he altered the whole of the arrangements.

Sir *Walter Barttelot.*

678. This is a question of administration in the interests of the public, is it not? The whole administration, of course, is on behalf of the public.

679. Here there are charges made of a very grave character which ought not to have been made, are they not?—I cannot go so far as to say that. The inquiry did not show that there was any fraud; but attention having been drawn to the fact that things might have been done more economically than they were done, the system has been altered.

680. This

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ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Sir *Walter Barttelot*—continued.

680. This carrying is done by public contract outside the War Office, is it not, and has nothing to do with the War Office ships?—Some portion of it is done by public contract, but much the larger portion of it is done by the War Office ships; these contracts deal only with the surplus; they are contracts to carry what our ships cannot carry.

681. Therefore, you do tender for those things?—The contractors tender for them.

682. And you found great irregularities, I understand?—We found that the charges were made in a manner which, when overhauled, was shown to be extravagant; or so it struck those who looked into it.

683. Surely this is a matter which has especially to do with this Committee, because we are anxious to see what charges have been made, and whether the public funds have been properly expended; is not that so?—Of course it is very difficult for me, in my position, to argue the question, but I always understood that the function of this Committee was to overhaul the expenditure as a matter of account, and not as a matter of administration.

684. But in this case, as a matter of account, you admit that very heavy charges have been made for articles of comparatively small value?—Heavy expenditure has been incurred, certainly, but in accordance with the contract rates and in accordance with the measurements.

685. Then surely there would be no objection to do what the Chairman has asked you to do, namely, to produce that report, which is material, in my humble judgment, as showing us what steps have been taken to prevent that state of things arising in future?—That report does not show precisely what steps have been taken; but I can assure the Committee that a complete change has been made in the whole of these arrangements, and that these irregularities have been practically made impossible now.

686. Is it unreasonable for the Committee to ask how that has been accomplished?—The administration of the shipping has been placed under an officer totally distinct from the Store Department; an officer of the Commissariat Department has now charge of this service and special arrangements are being made, as I explained, for providing a transit store where the goods can be more satisfactorily measured and packed, and a new form of tender has been introduced which provides for the proper packing of these things in the most economical way. Those are the changes that have been made.

687. Would not that be clearly shown by the report?—No.

Mr. *Wodehouse.*

688. No evil consequences resulted, I understand, to anybody concerned as the result of the inquiry by this committee of officers, except the removal of one man from duty?—One man has been removed from the responsible position he held before as having charge of this shipping. He is still employed, but he is under a more responsible officer.

689. He is degraded in position?—Yes.

690. Did no one else suffer at all in consequence of these grave irregularities being discovered?—No; except that some soldier clerks at the Arsenal who had made these mistakes in the calculations were found to be unfit for this work; they were not sufficiently *au fait* at preparing such documents.

691. Have the new arrangements which are to obviate these irregularities in future been made known to the Comptroller and Auditor General?—I am not aware that they have been; I should think not.

692. Would they become known to him in the ordinary course of business?—No, not necessarily.

693. Then he can express no opinion upon them at present as to their likelihood to prevent a recurrence of these irregularities?—I should think not; I should think it would be very difficult for him to express an opinion under the circumstances. It is a question of administration, of executive duties, which the Comptroller and Auditor General cannot form a satisfactory opinion upon.

694. Still he has already expressed an opinion upon this matter in connection with the accounts that came before him?—As a matter of account he can, of course, express an opinion.

695. It may come before him again as a matter of account, may it not?—No doubt the charges will come into the account which he will examine, but I do not think his attention will be called to the change of procedure in any way; it would not be perceptible in the account, I think.

696. If the matter has once come before him in connection with the account, may it not do so again?—It was not in an account that he saw this; it was in an official paper dealing with the whole question that he saw it.

697. Still it must have come into the account, or else it would not have reached him, would it?—I do not know how it reached him.

Mr. *Sydney Buxton.*

698. Having reconsidered this question, have you come to a conclusion as to whether you will continue to employ this contractor, who has received this 27 *l.* to which he was not entitled, or request him to refund it?—That point has been considered, and, as I stated at the last sitting of the Committee, it was decided (accepting the view on the legal point of the Solicitor to the Treasury) that we could not proceed legally in the matter. But as regards the question of moral pressure, the Secretary of State has decided that, if this firm tenders for more work of the kind, it shall be made a condition of that contractor's services being accepted that he shall repay, at all

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ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Mr. *Sydney Buxton*—continued.

events, this claim of 27 *l.* 2 *s.* 8 *d.*, which was wrongly calculated.

699. When you say "this claim," have there been other claims upon the same firm of a somewhat similar kind?—No.

Mr. *Lane.*

700. You say that this is a matter of account; when this overcharge was discovered by the War Office was there no opportunity, in the course of the payment of subsequent accounts of the same year, for the War Office to deduct this amount, on the basis of its being a mistake made in the account rendered by this contractor, from the next payment that was due to him on a subsequent account?—The contractor was asked to refund this sum (and it was, of course, hoped and expected that he would do so, otherwise the demand would not have been made); and he gave reasons why he thought he should not be called upon to do so. Then it was that legal advice was asked as to whether we had a legal claim against him, and we were advised that we had not. That being so, it was held that it was an unsatisfactory course to proceed in the manner suggested. What has been decided is that, if this contractor does tender again, it shall be a condition of our accepting that tender that he shall repay this sum.

701. That is hardly an answer to the question that I put?—I think that does answer your question, because I am not quite sure that there were further claims made by this contractor; but if there had been, acting on legal advice, we should not have made the deduction, because we should have held that we had not power to make the deduction. However, the arrangement, as the Committee will see, is now quite different. We say, if this man tenders again, and we, in consequence of his tender being otherwise acceptable, wish to employ him, we will make it a condition of employment that he shall repay this sum.

702. Do you wish the Committee to understand that, in the course of any subsequent adjustment of accounts during the then current financial year between the War Office and this contractor, you had no power whatever to deduct from payments then due to him this amount, which was an acknowledged error in an account which had been previously paid?—Precisely; that is the advice which we received and upon which we acted.

703. Do you think that in any dealings between two commercial firms one would not have the power to deduct from the subsequent balance due to the other the amount of an admitted error made in a previous adjustment?—I really cannot say; but the advice which we were given was legal advice. Legal advice is often a great puzzle to me, but still that was the legal advice, and we do not act extra-legally at the War Office.

ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Mr. *Lane*—continued.

704. Should not the clerks or the officials who had charge of these accounts, merely as a matter of account, and apart altogether from legal rights, have insisted upon deducting this from the next account that was settled with this contractor?—We should not do so at the War Office, certainly, having received that advice.

705. You said, in a previous reply to me, that, for reasons given by this contractor, he declined to pay this amount which was overcharged; could you tell the Committee what were the reasons he assigned for refusing to refund what was simply, according to all that we have heard up to the present, a mere error in the account?—Generally he argued that the account was not made up by himself; that he was bound to accept the calculations that were made by the employés of the War Office at Woolwich, who had made out the calculations from the measurements, and on those calculations had made the payment; he was not, certainly, in the habit of criticising them from that point of view, and he accepted these payments on the faith of the Department. Under those circumstances the contractor said that he thought it unreasonable that he should be asked to refund the payment, especially as the captain who had received a great share of the freight was no longer in his service, so to speak (he had been employed *ad hoc*); and payments had been actually disbursed in shares in proportion to the proprietary of the ship.

706. Do you think that, if the conditions of this case were reversed, and the mistake were made against that contractor, he would not compel the War Office to pay the 27 *l.* by the officials of the War Office?—I should imagine he certainly would have a legal claim.

707. Why should not the War Office have the same legal rights against him?—I cannot understand why they should not, but the lawyers say that they have not.

708. Is it usual, in all these departments where you send goods by ship or by rail, that the requisition to the shipping company or the railway company is made out by the War Office, and not by the carrying company?—This, I think, is contrary to the usual practice. I had with me yesterday the officer who is now in charge of this work, and I put that question to him, as to whether this system went on. I expected to get an answer from him this morning from Woolwich, but I had not received it when I left the Office. It is not a satisfactory system, certainly.

709. Do you think it would be well for the War Office to reverse this system in future, and insist upon always getting their accounts from the carrying company, and comparing them with the books in the War Office, instead of the War Office supplying them to the carrying companies; that is what is done in commercial life, is it not?—I quite understand that that has been the usual practice, but it has not been the practice here. I think it is very desirable that it should be altered,

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ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Mr. *Lane*—continued.

altered, and I imagine it has been. The officer whom I consulted yesterday said that it was his impression that it was no longer the practice to prepare the accounts in that way.

710. Was it the opinion of the committee who inquired into the matter that this was merely a clerical error, or did they take a worse view of the mistake in this particular case?—It was a clerical error of the men employed, who were inexperienced and not fitted for that particular kind of work.

Mr. *Arthur O'Connor.*

711. It is admitted, is it not, that in this case a certain amount of public money has got into the hands of a private person who has no right to it?—Yes.

712. And the War Office Solicitor, or the Treasury Solicitor, recognises that the relations in which this man stands towards the War Office are such that there is no legal recovery, or that it is not advisable to take legal proceedings to recover the money?—I think that opinion is based upon the fact that the calculations were made by the War Office, and the account was paid carelessly by the War Office authorities; the contractor bases his legal argument mainly upon that.

713. Upon the ground that he was bound by the figures supplied by the War Department?—Yes.

714. Therefore, the War Office was bound towards him by those figures even though they were against themselves?—Yes.

715. The equity is against them?—Yes.

716. Would the report of the committee of officers, which has been referred to, show the contractual relations of this man towards the Department?—No.

717. Then what does the report deal with?—It deals with the method adopted of working this transport service at Woolwich; it was an inquiry into the conduct of this business on the part of the Woolwich employés.

718. We find that the result of the past system is that public money goes irrecoverably into the hands of a man who had no right to it, and you now tell us that the present system is such that it is not likely to occur again; could you explain to us how it is that under the old system such a thing was possible, whereas under the new system it will not be possible?—I thought I had explained that fairly fully. The excess charges arose from the fact that the measurements, the outside measurements, of these various articles which were shipped were made separately, and were entered in the account separately.

719. Who measured them?—The War Office employés at Woolwich.

720. Did they stack them in the ordinary way?—No, they did not; they were measured separately, because they came from separate departments; they were not dealt with *en bloc* at all.

ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

The result was that the contractor was paid for a measurement which was considerably in excess of his carrying power, and he took advantage of the fact that he could pack them and stow them away much more easily, and thus carry a very much larger quantity than he otherwise would. This was really the point that was observed, and it was seen that heavy payments were made in consequence of this system of measurement. I do not know that it could be avoided to its full extent; but, as I mentioned, we are now erecting a building, which is costing 5,000 *l.*, into which these things will be collected with a view to their being properly measured, and with a view to their being properly recorded in transit as well.

721. How will the expenditure of 5,000 *l.* for a building affect the system by which the contractors are credited for their carrying?—It would admit of these stores being arranged in the method to which I have just alluded, and packed within one another, so as to occupy a much less space than the outside measurement would have required.

722. If you go down to the docks you will see the shipping of timber brought there for shipment; the timber is stacked by men whose business it is to do so, for the purpose of measurement in a particular way, but it is not stacked in a building; it is stacked on the quay, and it is measured by stacking on the quay?—These things are not timber, but are all very valuable stores.

723. Stores of the same kind, I presume, require analogous treatment; you do not need a special building for the purpose?—You require a special store for the purpose, certainly. These are all the ordnance stores shipped for Portsmouth, Chatham, and such other places. Some of them are of a very delicate nature, and have to be very carefully looked after.

724. The amount involved in this case is only 27 *l.*, and yet the War Office appear to have come to the conclusion that it would be advisable and economical to spend 5,000 *l.* in building alone, in order to alter the system; is that so?—Yes.

725. Have they reason to suppose that there has been in the past considerable leakage?—They see evidently that the payments for freight, according to the old system of measurement, were much in excess of what the payments will be when the measurement is effected in a different way.

726. So much so that the expenditure of 5,000 *l.* will result in economy eventually?—Certainly.

727. I should like to ask this further question, because this opens one's eyes somewhat: what are the other irregularities which the Comptroller and Auditor General refers to in his Report?—This is the main irregularity.

728. His words are, "some grave irregularities;" to what does that refer?—That is the irregularity, coupled with the fact that there

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ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

were errors in the vouchers that were calculated.

729. The Comptroller and Auditor General speaks of "some grave irregularities, the recurrence of which, after existing for many years, may, it is hoped, be considered to be guarded against by new arrangements devised with that object;" what is the Committee to understand is meant by "the recurrence for many years of grave irregularities," of which we have here only a particular instance?—That is Auditor's language.

730. You are not concerned either to justify or to explain it?—No; it is generally a little strong.

731. (To Sir *C. L. Ryan.*) I should like to ask if you would let us know what you understand by it?—That was the impression left upon my mind by the papers in question. As it is not held to be desirable by the War Office to produce these papers, I do not think I can be asked any more questions with regard to the matter. If the War Office disputes the fact, and says that the language is too grave, they should produce the papers, which would show whether the language is too grave. I may have erred in using such language; it may be stronger than it ought to be; but the only method of disproof would be to produce before the Committee the papers upon which this language is founded.

Sir *John Lubbock.*

732. (To Mr. *Knox.*) I understood you to say just now that the main reason given by the contractor for not making the repayment of the sum which had been clearly overpaid was because part of it had passed away to the captain and others, who were interested in the business; is that so?—That was one reason; and also, as I stated, that the miscalculations were really made by the War Office officials.

733. Did the contractor offer to repay that amount which had gone into his own pocket?—No, he did not.

734. I should like to ask you once more: do you think it is desirable, even if he did repay this amount, to continue the employment of a person who had behaved in such a very unscrupulous manner as has been disclosed in this paper?—I am afraid I am not in a position to answer that question; it would not be for me to decide the question. The Financial Secretary and the Secretary of State would act upon the advice of the Director of Contracts in the matter. I think I may read this quotation from the legal opinion of the Treasury Solicitor: "Where the mistake is unilateral, and the sufferer is the person by whom it was made, relief will not be granted unless there is some circumstance which gives rise to a presumption that there is some undue influence, misrepresentation, imposition, mental imbecility, surprise, or confidence abused."

ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Mr. *Lane.*

735. What would be the normal weight of these two articles, "ring shell gauges," which are referred to in the Report?—I cannot say, but it would be something very small.

736. Would it be a ton?—No.

Chairman.

737. (To Sir *C. L. Ryan.*) You have heard the decision which has been come to by the War Office on the question of how to deal with this particular contractor; does the decision to recover this money when the contractor next sends in a tender satisfy you?—No; I should hold by the statement in the Report here, that this being an overcharge, if recovery is not possible, it should be written off with the Treasury consent. You must deal with this particular sum and get rid of it in this particular account.

738. Might it not be possible that, with the knowledge that this was going to be done, and knowing also that he had few competitors, if any, the contractor in question would simply increase his next tender by so much, in order to cover the amount which the War Office proposed to recover from him?—Of course it would be possible for him to act in that way, but I should have no cognisance of the fact.

739. (To Mr. *Ryder.*) This course is not the course recommended by the Treasury, I understand?—The Treasury suggested that it should be recovered from subsequent charges made by the contractor, if that contractor was employed again. I think the Treasury would not write off the claim as irrecoverable so long as there was a prospect of recovering it.

740. But was it not the advice of the Treasury that he should not be employed again?—The Treasury left the alternative to the War Office, either of striking the firm off the list, or of employing them again and recovering the amount.

741. (To Mr. *Knox.*) You stated just now that this appeared to you to be a question of administration, and not one of account; I should like to call your attention to this fact: the Comptroller and Auditor General brings before the Committee four discoveries which he has made, based upon the report of this committee of officers; the first is that the system of accepting tenders for this service was apparently open to serious question; that is a matter of account?—I should not think so.

742. It affects the account?—I do not know anything that does not affect the account; everything is a matter of money, I imagine.

743. Surely the question whether a system of accepting tenders be good or bad is a question which has been constantly under the consideration of this Committee; we had it under our notice with the very last witness?—Certainly you had, but that did not make it a matter of account.

744. I will not argue the point; in the second place, the Comptroller and Auditor General tells us

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ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

Chairman—continued.

us that "the report referred to more than one case in which there appeared to be evidence that direct overpayments had been included in the Account for 1888 89;" I see that that is disputed in your letter of the 31st December 1889, on page 192, but still that is another point closely connected with the accounts which the Comptroller and Auditor General brings before us; thirdly, the Comptroller and Auditor General states that some instances were also given in which the tonnage charged for largely exceeded the carrying capacity of the vessels; that is also exactly like other points which the Comptroller and Auditor General constantly brings before us closely connected with the accounts; fourthly, he brings before us the details of a case which has been more particularly the subject of examination by this committee; under those circumstances, I hope that the Secretary of State will be inclined to reconsider his decision not to bring the report of this committee of officers before us?—I think in words I have explained, practically, all that the committee drew attention to; and, so far as the facts of the case are concerned, as to what was found fault with, the report of the committee would only contain, in addition, I think, references to individuals who have been dealt with as a matter of discipline in the Department. I will, of course, mention to the Secretary of State what the opinion of this Committee is.

745. I understand you have some papers to hand in?—Yes; the Committee expressed a wish to have the correspondence as to Messrs. Kynoch's royalties; I have that correspondence here, and I will hand it in. (*The same was handed in*, vide *Appendix.*)

ARMY APPROPRIATION ACCOUNT.

Vote 9.—Transport and Remounts; Irregularities in Coastwise Freight, &c.—*continued.*

VOTE 13.

SUAKIM-BERBER RAILWAY.

Chairman—continued.

746. Do you wish to hand in any other paper?—Yes; you asked a que tion as to the cost of the Suakim-Berber Railway; I was right in saying that it had been presented to Parliament; it was so presented in the year 1885 in this Parliamentary Paper, which I will hand in; the total cost, including some other services which were worked in with the railway (the pipe line for supplying water), is shown there as 865,369 *l.*

VALUATION OF RESERVE STORES.

747. Is there any other point in the evidence given on the last occasion to which you would like to refer?—Yes; at Question 619 I was asked as to the alteration which was made in the return of stores; I find the amount altered was 35,583 *l.* 6 *s.* 8 *d.* in one particular item; it was in that item that the mistake was made in the return of stores; that is the only error that has been detected.

Mr. *Arthur O'Connor.*

748. What I asked for was not only the amount of the over-statement, but the circumstances under which the over-statement was made?—I stated then that there was an error in the return which was made from Woolwich as to the quantity.

749. How did that error arise?—That I cannot say; it was a clerical error in the quantity returned by the Store Department.

750. Equivalent to the sum of 35,000 *l.*?—Yes; and it was not detected until after the return was presented.

ARMY (ORDNANCE FACTORIES) APPROPRIATION ACCOUNT, 1888-89.

Chairman.

751. (To Sir *C. L. Ryan.*) This is, I believe, the first Account of the Ordnance Factory Vote which has been brought before Parliament?—Yes.

752. And the expenditure now provided for under this Vote, consisting to a large extent of charges for wages and materials, was in former years almost exclusively met out of Army Votes Nos. 12 and 13?—Yes, so far as the Army was concerned.

753. In the Appropriation Account of this Vote we shall find only an imperfect record of the new system of administration; for more complete information you refer us to the balance sheet of the Ordnance Factories, and to the production voucher appended thereto?—Yes.

754. In the present Session, also, we have, I believe, before us your Reports on the Accounts of the Army Manufacturing Establishments, which were brought under your review by the Army and Navy Audit Act of last Session?—That is so.

Chairman—continued.

755. And your observations arising out of the detailed test examination which you have applied will be found in your Report on these Accounts?—Yes.

ISSUES OF ARMY FUNDS TO THE ORDNANCE FACTORIES IN ANTICIPATION OF THE VOTE FOR THAT SERVICE.

Chairman.

756. On the 22nd of June 1888, I think, you called the attention of the Secretary of State for War to the fact that issues of funds had been made from Army balances for the service of the Ordnance Factories, although no vote had up to that date been taken for the expenses of those establishments?—Yes.

757. There seems to have been some difference of opinion at first between you and the Secretary of State; he seems to have thought that the money is properly available as regards repayment services performed for the Army and Navy

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Issues of Army Funds, &c.—*continued.*

Chairman—continued.

when Vote 1 has been passed through the House of Commons?—Yes.

758. But with regard to the expenditure outside those repayment services, he admitted that in future years it would be necessary to defer such expenditure until it had been provided for by express Vote or by a special Vote on account?—Yes.

759. At the same time you think it your duty to call attention to the application of money from Vote 1 to any part of the expenditure under this Ordnance Factories Vote?—I think it is a doubtful question whether Vote 1 can be taken to support the War Office view that it provides for the repayment services. It was a question of Parliamentary importance, and I did not think it right not to bring it before this Committee for their consideration.

760. (To Mr. *Ryder*.) I think that the view taken by the Treasury throughout has been "that all customers of the Ordnance Factories must be prepared to advance money to the Factories on account of their orders"?—That is the Treasury view.

761. That is what the Treasury stated in their letter of 30th March 1889?—Yes.

762. You do regard the Ordnance Factories in a different light from that of ordinary contractors; you regard them as the agents of the Admiralty and War Department, and you allow an adjustment of the accounts up to a late month of the year, I think?—Yes.

763. Up to what month is that?—I think it is within six months of the end of the year.

764. But you do not think it regular to use money from Army balances for the purposes of the Ordnance Factories; you think the money should be derived from all the customers of the Ordnance Factories?—That is so, including the Army.

765. You point out that it will be necessary that the "employing Department, and the Indian and Colonial Governments also, should make periodical advances, in anticipation of the expenditure of the Ordnance Factories, of a stipulated proportion of the estimated cost of their orders"?—Yes.

766. Then, those advances being made up to the end of the financial year, you approve of the accounts being kept open for six months, and before the end of six months a settlement being arrived at with the employing Department, or with the Colonial or Indian Governments?—Yes.

767. (To Mr. *Knox*.) Has the Secretary of State modified his view in any respect with regard to the employment of the Army balances?—No, he has not. He thinks that all the excess Vote which is provided is always for capital expenditure, mainly for works, and he holds the view that that should certainly obtain the special sanction of the House of Commons by Vote, or Vote on account, before it is entered upon, but that the other expenditure (the normal expenditure upon wages and material and the indirect

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Issues of Army Funds, &c.—*continued.*

Chairman—continued.

services) is fairly covered by the advances which the Department receives from the Army and Navy and the other Departments giving orders.

768. I think the amount which had to be voted for those works, including buildings and machinery, was very small; it was only 38,000 *l.* out of a total Grant to the Ordnance Factories of nearly two millions and a-half?—Yes; and in the subsequent year it was only 100 *l.*

769. Therefore, as regards the greater part of expenditure under the Ordnance Factories Vote, the Secretary of State would claim that the money voted under Vote 1 could still be used for that purpose?—Yes.

770. (To Mr. *Ryder*.) But I understand that the Treasury do not agree with that view?—The Treasury holds that the more correct course would be to take the Ordnance Factories Vote in full, or a Vote on account early in the year, so as to obtain Parliamentary sanction directly for the expenditure. But I do not suppose that the Treasury would go so far as to say that the Ordnance Factories ought to be closed and large works stopped if through any misadventure the Vote on account or the full Vote had to be postponed.

771. The Vote, as I understand, is a very small Vote (we have been told that last year it was only 100 *l.*), though the expenditure under the Ordnance Factories Vote may be very large; take, for instance, the year under our review: the Grant was 2,434,000 *l.*, including what was provided by Appropriations-in-Aid, and the expenditure was 2,209,000 *l.* and odd; do you suggest that the whole of that should be voted by the House of Commons?—No; I am sorry that I did not express myself quite clearly. The Treasury view is that Parliamentary sanction should be obtained for the Estimate, as a whole, by means of this little nominal Vote, which may be only 100 *l.*

772. When that Parliamentary sanction had been obtained, then the money which had been voted under Vote 1 could be advanced by the War Office, and other money would be advanced by the other customers of the Ordnance Factories to meet that expenditure?—Yes.

773. (To Sir C. *L. Ryan*.) I gather that is also your view?—Yes.

774. (To Mr. *Knox*.) And, practically, there would be no great difficulty in meeting that view; it would not differ materially from the view of the Secretary of State, as I understand?—I have no doubt that the Secretary of State would be very glad to get a Vote for the Ordnance Factories early in the year, and before the end of the preceding financial year, but there are practical difficulties in the way apparently.

775. But, considering that it would not be necessary to vote more than a very small sum, namely, the amount required for buildings and for machinery, it would surely be scarcely necessary to take a Vote on account; if any Vote were

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.

Issues of Army Funds, &c.—*continued.*

Chairman—continued.

were taken, it would be the whole Vote, would it not?—I should think so, certainly.

776. It is proposed to take a Vote of that kind at the same time as the Vote for numbers and Vote 1 are taken in future?—It would be very advisable that it should be so, and I urged that it should be done this year, but arrangements were not made to get the Vote, and it was not asked for. I certainly think, however, that if the House of Commons would consent to take it as a matter of course (because it is really only a formal matter) immediately after Vote 1 has been taken, it would be a much more satisfactory arrangement.

777. Then the Comptroller and Auditor General calls attention, at the end of paragraph 2 of his Report, to the fact that no amounts of any importance were credited from the Army Funds as Appropriations in Aid until the close of the Account for 1888-89; would it not be better that an adjustment should be made from time to time, at comparatively short intervals, and that you should not wait until the accounts are made up in September?—The fact is that really this Factory was fed entirely from War Office funds. But arrangements have been made since, in consequence of the recommendations of the Comptroller and Auditor General and the Treasury, to put this on a completely satisfactory footing, and separate accounts are being opened in our books which will practically secure all the objects aimed at by this query.

APPROPRIATIONS IN AID—ADJUSTMENTS OF RECEIPTS.

Chairman.

778. (To Sir *C. L. Ryan.*) It has now been recognised, I think, that the Ordnance Factories Vote shall only receive credit in respect of the value of productions, and, therefore, these points, which at the time raised some correspondence with the War Office, have been practically conceded?—I think so.

779. I observe that certain adjustments of receipts from India and the Colonies have not been accompanied by such detailed information as would allow of their correctness being verified by your Department, and in other cases adjustment appears to have been necessary, and yet none is found to have been effected; you have brought that matter under the notice of the War Office, but you have not had any reply, I believe?—I believe not; but I might add that although I cannot certify to the correctness of the credits of those receipts to Appropriations in Aid of the Vote, yet there is no reason to doubt that they are approximately accurate. (Mr. *Knox.*) We have found discrepancies in the statement of the claims; it was necessary, therefore, to give them a more complete overhauling; there had been some want of understanding between the Ord-

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.

Appropriations-in-Aid, &c.—*continued.*

Chairman—continued.

nance Factories and the Commissary General of Ordnance as to the orders, and it was found that, though the Factories had carried out their instructions generally to the letter, still the Commissary General had not dealt with these orders in the way in which it was supposed they would have been dealt with; to give an instance, some orders were given on Indian account which the Factories recorded as an Indian order, orders coming through the Commissary General; but when the stores were delivered to him they were not handed over by him to India, as it was inconvenient to do so at the time; of course there was a discrepancy between the claim which we could make against India and the statement made in the Factory Account. We have had several things of that kind to set right and adjust, and they are now in process of adjustment; it was a very long job going through the whole of these claims with a view to their adjustment, but we have made very satisfactory progress with them now.

CREDIT OF RECEIPTS FROM VOTE 12 IN RESPECT OF GROSS INSTEAD OF NET CHARGES.

Chairman.

780. (To Mr. *Knox.*) In the Estimate which is quoted at page 2 of the Ordnance Factories Appropriation Account, I observe 100,000 *l.* was deducted on account of "Stores available" from the Appropriations in Aid which are accounted for; it appears that this 100,000 *l.* represented some stores which had been purchased out of Vote 12 in a previous year, but there is no corresponding figure in the Appropriation Account, so that, as the Comptroller and Auditor General points out, it would appear that either the stores have been used which were paid for in a previous year, and these stores having already been paid for by Vote 12 in a previous year have been charged to Vote 12 again, or else no stores have been used belonging to a previous year; can you explain the absence of any figures from the Appropriation Account?—It is a simple matter, I think. When the new system was introduced, some discussion took place as to what the quantity of stock should be which should be maintained in the Factories; in fact, what should be their capital to start upon. The then Director General considered the point, and expressed his opinion that the stock would admit of a reduction to the value of about 100,000 *l.*; he could not say the exact amount, but that was generally his idea. That being so, it was decided that credit should be given to the Army stores, which would come in course of charge during that year to the extent of that 100,000 *l.*, the only way in which the Factories could give credit to the War Office being by letting the stock run down to the extent of 100,000 *l.* It was

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credit of Receipts from Vote 12, &c.—*continued.*

Chairman—continued.

found during the year that that could not satisfactorily be done, that the amount of stock, in fact, in the possession of the Factories at the commencement of the year did not admit of the reduction that was contemplated, and that the original amount of capital, at all events for the present, will have to be maintained. The stock not having run down, of course it was impossible to give the War Office credit for that 100,000 *l.* It so happened that we were able to pay in full for all the productions turned out from the Factories during the year out of our Vote, without that 100,000 *l.*; and it was adjusted in that way.

781. Is not the effect to increase, by whatever amount was drawn from the old stores, the amount debited as Appropriations in Aid to Vote 12?—If that deduction had been made from the charge against the War Office the charge would have been reduced by that 100,000 *l.*

782. But, as a matter of fact, old stores were used, were they not?—No.

783. Were no old stores used at all?—No; all old stores were replaced, and the stock was maintained at the figure it presented at the beginning of the year.

784. Would not that necessitate an entry on both sides of the Account?—No, it was not disturbed at all.

785. Then Vote 12 is undoubtedly charged with more than was intended, because it was intended to deduct this 100,000 *l.* from the amount with which Vote 12 was charged; is not that so?—Yes.

786. Is it charged with the amount of the new stores which were bought to replace those used? Yes; it is charged the full amount of the expenditure incurred for the production of those stores, without any abatement on account of stores in hand.

787. Should it not appear that certain old stores have been used up, and certain new stores bought?—That is shown completely in the Factories Accounts. The balance is there brought forward of the value of the stock at the commencement of the year, and all the new stores purchased during the year are shown, and also the balance remaining in hand at the end of the year.

788. Are you referring to the entry at the top of page 2 in the Ordnance Factories Account for stores in stock on the 1st of April 1888, 342,844 *l.*?—Yes; then there were large purchases during the year.

789. Then, on page 5, I observe, "By Balance Account: for stores in stock on the 31st March 1889;" on the other side of the Account, 388,981 *l.*?—Yes.

790. Then the difference between those two sums represents an increase of stock by 46,000 *l.* or so?—Yes, but that I think is mainly a transfer from what formerly appeared under the head of "Semi-manufactures."

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credit of Receipts from Vote 12, &c.—*continued.*

Chairman—continued.

791. I understand you to mean that the difference represents that?—Yes.

792. The stock has been maintained at the same value?—Yes, practically.

793. But then I still do not see why a Sub-Head was not opened under Vote 12 to show that new stores had been purchased to replace the old ones?—It is quite unnecessary as a statement of account. Such new stores as were purchased would not enter into the Army Account at all. Stores purchased to be worked up into production are all charged in the Factories Account as material. This 100,000 *l.*, it is admitted, was not allowed for, and no abatement was made.

794. Has not the effect been, as I said at first, to charge 100,000 *l.* more to Vote 12 than it was intended to charge at the beginning of the year, because there is no longer a deduction of 100,000 *l.* from the Appropriations in Aid?—It is rather difficult to express it, but it is the case that, if that abatement had been made, Vote 12 would have been charged so much less, certainly.

795. (To Sir *C. L. Ryan.*) Does the explanation which Mr. Knox has given meet at all the point that you raised?—I do not think it meets the point taken. He has explained how it happened, but the point taken is that the non-deduction of 100,000 *l.* has given an unestimated increase of capital to the Ordnance Factories at the expense of Vote 12. The capital (that is to say, the stores) of the Ordnance Factories have been increased from Vote 12 to an extent which Parliament was informed they would not be increased, practically, by the deduction which was made upon the face of the Vote.

796. Do you say that the transaction which has actually taken place with respect to the stores should appear in the Accounts?—No; the point I should rather take is that the Department ought not to show an abatement of that sort without some explanation on the Account, at all events, showing that which has been done, and the grounds and reasons for doing so. A Department ought not to put into its Estimates a prospective reduction of stores, or of anything else, to the amount of 100,000 *l.*, and then not fiulfil that engagement given to Parliament without giving a full explanation of the facts. We have drawn it out more or less, but the explanation ought to have been given fully.

797. Such a note on the Account would have called attention to what may be described as an increase of capital of the Ordnance Factories, which has been the result of the transaction?—That has been the practical result of the transaction. (Mr. *Knox.*) It is a non-diminution really; it is not an increase. It is a maintenance in excess of what was contemplated, certainly; but, as you have already seen, the stock has been maintained nearly precisely at the same figure as it started at.

798. (To

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credit of Receipts from Vote 12, &c.—*continued.*

Sir *John Lubbock.*

798. (To Sir *C. L. Ryan.*) I understood you to say just now that Parliament had anticipated an increase, and that the stocks had been maintained at the same level; is it not rather that Parliament had estimated a decrease which had not taken place?—Yes; if I used the word increase; I should have said decrease.

Mr. *Arthur O'Connor.*

799. (To Mr. *Knox.*) Is there not another way of looking at it; if you look at page 2 of the Ordnance Factories Appropriation Account, under the column headed "Estimated," you see the 100,000 *l.* referred to; there is no such amount put in the column headed "Realised," and the result of its omission is that the total at the bottom, viz., 2,189,000 *l.*, is 100,000 *l.* more than it otherwise would be; that is to say, if there was the 100,000 *l.* in the "Realised" column the 2,189,000 *l.* would be 2,089,000 *l.*?—Yes.

800. Now, if you deduct, as you do in the second column headed "Expenditure," 2,089,000 *l.* instead of 2,189,000 *l.*, you would have a balance shown of 100,000 *l.* more than you have now; it would make it 189,000 *l.* instead of 19,000 *l.*?—Yes.

801. That would leave you, not a balance to be surrendered of 11,000 *l.*, but a deficit of 82,000 *l.*, would it not?—Yes.

802. Therefore, there was a very good reason for omitting, if possible, the 100,000 *l.* from the "Realised" column, because the omission presented the Account with a surplus to be surrendered of 18,000 *l.*, instead of a balance on the wrong side?—Stated in figures that is the result which certainly would have been brought about.

803. Would it not have been very much better to have made this Factories Account a real reflex of the actual facts; there was no particular reason that I can see why that deficit should not have been shown; as you have already pointed out, your stores had increased from 343,000 *l.* to 388,000 *l.*, so that you have something to show for the deficit; if you have a cash balance on the wrong side you have at all events an increase of stores to account for a portion of it?—That could have been done, but it would have disturbed the principle upon which the Factories Account has to be worked. The principle is that for all the work the Factory turns out, whatever charges it incurs on account of that work, it shall be paid for. To have taken a Vote as a deficit on this Factories Vote would be contrary to the whole principle of the new arrangement.

804. Are we to understand that of all the stores, amounting to 342,000 *l.*, which the Ordnance Factories had in store on the 1st of April 1888, there were none used for Army purposes, but that you got new material to work up into your production?—No; of course the material that was purchased during the year, to a large

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credit of Receipts from Vote 12, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

extent, replaced that which was taken out of the balance during the year.

805. Clearly; but I understand you did draw upon your stores in stock for the purpose of production for Army purposes?—Certainly.

806. Then you were really doing what it was estimated you would do?—No; the condition of the new arrangement is that all stores taken out of stock in any way shall be replaced during the year; the quantity of stock is to remain constant. I admit that in the first year it was intended to make this reduction of 100,000 *l.*, and thenceforward the balance was to be maintained as constant as it could be.

807. Is it not a highly fanciful and artificial arrangement that you shall keep up a nominal amount of stores in stock, in hand, but that you shall not debit yourself as having drawn upon them, and credit yourself with the increase, but that you shall debit yourself with material only as if for new production; as if, in fact, you never drew upon your stock in hand?—These materials that are purchased of course go into our stock. You have a balance, and your balance is your capital; you draw from that balance and replace it in the shape of materials from time to time, with a view to keeping that balance constant. Of course, as you say, it is highly artificial, and it is difficult, perhaps, to administer.

808. Or to justify?—No, not to justify. The plan of the whole arrangement is that this Department is to undertake orders from various Departments, and for the actual work which they perform they are to be paid, and practically there is to be no balance upon the Account.

809. You spoke about using some of the semi-manufactures to add to the stores in stock on the 31st of March 1889?—Yes.

810. I notice that in the Ordnance Factories Annual Accounts the semi-manufactures are set out on page 5 under a number of different items, the Army being only one, and figuring for 370,000 *l.* at the end of the year?—Yes.

811. When I try to see how much there was, either of stores in stock or of semi-manufactures, standing to the credit of the Army at the beginning of the year, I see only large lump sums?—Quite so.

812. Why is there that difference?—The difference is that up to the formation of this Account the stores were not classified into "Army," and "Navy," and "India," and so on, and in opening the Account for the first time an approximation had to be made. Those figures agree with the figures which were inserted in the last balance sheet rendered, so that they might be reconciled; but the division between the Army and Navy, and so on, was made upon the best calculation and estimate that could be made without the machinery which now enables us to watch the progress of this expenditure from time to time.

813. Then in the next Account we shall have

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c. Credit of Receipts from Vote 12, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

these semi-manufactures set out in detail, I presume?—Yes, we shall have it in detail.

814. On both sides?—Yes.

815. With regard to an answer which you gave just now as to these semi-manufactures being worked up into the stores in stock included in the 388,000 *l.*, if you add the two first items on the debit side on page 2, stores in stock and semi-manufactures, you get a total of 904,000 *l.*, do you not?—Yes.

816. Now, if you add the similar items on page 5, namely, 388,000 *l.* and 682,000 *l.*, you get a total of 1,070,000 *l.*, which is an increase, not of 100,000 *l.* only, but of 170,000 *l.*?—Yes; the amount of semi-manufactures remaining uncompleted at the end of the year has considerably increased.

817. But when you tell us that your object is to retain your stock in hand at much the same figure, how do you account for this increase of 170,000 *l.* between the different items in a single year?—The increase is in the semi-manufactures; they do not form part of the stock.

818. Surely that is not so, because there is the increase of 46,000 *l.*, which has been already referred to?—That arose from the transfer of some article which, until this new system was introduced, it was found convenient to look upon as semi-manufactures, but really they are stores in stock; they are mainly timber in a half-wrought condition. They were in store at the beginning of the year; but this half-wrought timber did not stand in our account in such a position as to be chargeable against the Army, the Navy, or the other Departments; it was practically part of the stock upon which certain wages had been expended.

819. On what principle do you now make this distribution, shown on page 5, between the Army, the Navy, India, and the Colonies?—According to the orders. These figures follow the work marks which are in hand.

820. Could the same distribution have been made of the 562,000 *l.* on page 2 for semi-manufactures, on 1st April 1888?—No. We were altering the system; the classification was not made in that way till this account was entered upon, and we carried forward the actual figures from the previous account, so that they could be reconciled. For the purpose of adjustment with the various Departments we have followed the Estimate which has been accepted by the Comptroller and Auditor General, the best one that could be framed, of the amount of the semi-manufactures which was due to the various Departments upon the orders outstanding at the commencement of the year.

821. If you had carried out what was contemplated when this Estimate was made you would have had a balance against you of 82,000 *l.*, instead of a balance to be surrendered of 18,000 *l.*; is not that so?—The Ordnance Factory Account would have shown that.

822. Had that fact anything to do with this mode of presenting the accounts?—No, except

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c. Credit of Receipts from Vote 12, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

that the principle laid down in regard to this new account is that there shall not be any balance of that kind; the principle is that whatever work the Factories do they shall be paid for. A balance would not have been brought about, of course, if there was a large deficiency to be voted; so that it would have disturbed the whole principle of adjusting the dealings of this Department with the various Departments ordering stores if this large sum had been voted in that way.

823. How do you know that you have in stock new stores of the value of 388,000 *l.*?—The remains are valued at this amount in the books of the Department.

824. Is that a balance of account only, or is it the result of an actual remain taken of all stores?—It is calculated on the account.

825. It is a mere calculation?—Yes; but the remains are being constantly watched.

826. In other words it is a book balance?—Yes.

827. And nothing but a book balance? No; the stores are being constantly looked into to see that they correspond with the books.

828. That is only as regards the individual items, is it not, and not as regards this as a total?—Yes.

829. It is a mere book balance as regards the total?—Quite so.

Chairman.

830. (To Mr. *Ryder.*) Has the attention of the Treasury been given to the mode in which these accounts are stated?—Not officially. I do not know whether the Committee would care for me to give my own private opinion.

831. We should be glad to have your opinion?—I should be very diffident in speaking upon so complicated a point; but, so far as my own consideration of the matter has gone, I am decidedly of opinion that, as regards the original statement made in the estimated Appropriations-in-Aid, the War Office ought not to have abated the 100,000 *l.* for stores available in respect of stock which they intended to reduce. They ought to charge to customers the full cost of all stores supplied to them. If they want to reduce the stock they have in hand, they should do it by diminishing their purchases during the year. The stock that they start with should be regarded as their own stock, with which they start business, just as the land and buildings are regarded as their own; it should not be regarded as belonging to customers of former years. I think, therefore, that the War Department were right in the manner in which they have dealt with their realised Appropriations-in-Aid in making no abatement. I think their error was in proposing to make any abatement.

832. (To Sir *C. L. Ryan.*) Do you desire to make any further remark upon this point?—No, I think not. I have explained that my point was that the information given to Parliament was not being acted upon; that is the point as the question presents itself to me.

833. (To Mr. *Knox.*) Do you wish to add anything

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Credit of Receipts from Vote 12, &c.—*continued.*

Chairman—continued.

thing upon this matter?—The result of what Mr. Ryder has suggested would have been that we should have surrendered on the account something like 100,000 *l.* or 120,000 *l.* (Mr. *Ryder.*) If you had reduced your stock, but you did not reduce it. (Mr. *Knox.*) We did not.

834. You would have drawn so much more from Vote 12, and would have had to surrender so much more at the end of the year?—We should have charged the full amount against the War Office, notwithstanding that Vote 12 had practically laid in the stores before. The view of the Comptroller and Auditor General, as I understand, is that Vote 12 had laid in such an amount of stores before, and that that should be utilised towards the Army charge. Mr. Ryder, on the other hand, says, "No; you should have charged the Army Account the full, and have disregarded the fact that they had laid in 100,000 *l.* worth of stores; you should have surrendered that amount to the Exchequer."

Mr. *Arthur O'Connor.*

835. But as a matter of fact you did utilise stores, did you not, which had been bought under Vote 12, and as a matter of fact you did charge the War Office at a rate that did include all the expenditure?—We hold that we have not utilised the stores if we replace the stores; of course there must be a certain amount of stores available for present use; we hold that if for every store we draw out we replace stores we do not utilise stores as stores.

Chairman.

836. Is not the result this, that although you contemplated charging Vote 12 with the stores which were used up, yet, as a matter of fact, having used up the stores, you do charge the War Office with them; let me proceed by steps; you admit that you have used stores, as I understand; you contemplated not charging the War Office at that time, because those stores were in hand and, therefore, ought to be used, and yet in the end you did charge the War Office with them?—No; what we hold is that we have not used the stores, because the stock of stores is maintained the same; but I quite admit this, what was intended when the Estimates were presented has not been carried out, and it would have been certainly better to have noted that on the account.

837. When you say that what the Estimate intended was not carried out, you mean, I presume, that there was no depletion of your stock?—Yes.

838. But as you proposed to show the amount of stores which you used up in the account, as you actually showed that amount in the Estimate, would it not have been more regular to show it in the amount, and, if necessary, to show the items on the other side representing the amount by which you had recouped yourselves from new stores?—I think not; I do not see that

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credit of Receipts from Vote 12, &c.—*continued.*

Chairman—continued.

any advantage would have been gained by so stating it.

Mr. *Arthur O'Connor.*

839. Surely the charge you make against the War Office in the "Realised" column on page 2 of 972,000 *l.* does include the cost of production, including materials?—Yes.

840. The War Office, therefore, pays for everything you can charge them for in that item?—Yes.

841. And again, as a matter of fact, it did supply you, did it not, with stores which you had on hand on the 1st of April 1888?—No. Of course, as a matter of fact, stores were used, but they were replaced; so that from an account point of view they were not utilised in aid of War Office stores.

842. Those stores that were in hand on the 1st of April 1888 had been provided for out of Vote 12?—Yes.

843. All the stores that you produced for the War Office during the period of this account were charged for fully against Vote 12?—Yes.

844. Does that not make a double charge upon the War Office, unless you give Vote 12 credit for the addition you have made to your stores in hand?—Not if the Factories maintain their stores intact at the end of the year.

845. Do you keep open a credit in the case of the War Office for the original amount of stores?—Yes; they keep this stock constant as their capital. It might be carried further, and it might be considered that in some future year the War Office ought to get credit for the 100,000 *l.* worth of stores in some way or other; but, as at present advised, it is determined that the amount of stock in the factories shall not be disturbed. Experience has shown that they require that amount of store in capital to carry on their work.

Mr. *Lane.*

846. You hold, as I understand, 100,000 *l.* worth of material in stores which you consider it necessary to hold, but which you have no express Parliamentary sanction to hold as stock?—The Factories hold that amount.

847. But without express Parliamentary sanction?—This stock represents the accumulations in the hands of the Factories of many years past.

848. As I understand, you have got that money from Parliament for use in a particular financial year, and you have no Parliamentary sanction to hold that amount of 100,000 *l.* worth of stock as a permanent stock in the Department?—In former years, before this account was started, the stock was voted as so much material, timber, metals, and so on; and Parliament decided to grant that amount with a view to its being used in the Factory.

849. You did not get this 100,000 *l.* for that express purpose, did you?—Yes, of course. I cannot say that that particular 100,000 *l.* is earmarked, but money was taken every year to keep

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Mr. *Lane*—continued.

the stocks in the Factories going, or to increase them from time to time.

850. That particular 100,000 *l.* to which the Comptroller and Auditor General refers you have no express Parliamentary sanction to hold as against the War Office, have you?—No.

Mr. *Barran.*

851. But still, as I understand, it is the working capital in the business to supply the wants of the War Office?—Yes, and the Admiralty.

852. If you reduce the working stock 100,000 *l.*, you take it that the probability is that the Department would be considerably inconvenienced?—Quite so.

853. Therefore it is the working capital of the Department; is that so?—It is so.

Paragraph 8 postponed.

CREDIT OF VALUE OF REFUSE STORES.

Chairman.

854. (To Mr. *Knox.*) Appropriations in Aid of this Vote have been credited, as the Comptroller and Auditor General informs us, with 14,646 *l.* 7 *s.* 9 *d.*, the supposed value of certain refuse stores sent to the Commissary General of Ordnance for sale at the Woolwich monthly sales, and the supposed value was charged to Vote 12, and credited to Appropriations in Aid of the Ordnance Factories Vote, while the amount actually realised by their sale during the year, namely, 5,673 *l.*, was carried to the credit of Appropriations in Aid, Vote 12. The Secretary of State seems to agree with the Comptroller and Auditor General's view that it is improper to charge Vote 12 with the value of refuse stores, and the subject seems to have been engaging his attention; can you inform the Committee how he has decided it?—No decision has yet been come to. This is one point that has been taken up by the committee which the Secretary of State has appointed, at the request of the Director General of Ordnance Factories, to consider the system of working the account. As you know, the present Director General has only held his office for comparatively few months, and there are many points to which his attention has been drawn. With the aid of this committee he is considering the various questions which have been raised as to the accounts, and many of the administrative questions also. This is one of the points that has been referred to him, and I believe that it has already been dealt with, but no report has been made.

855. Is that a departmental committee?—Yes. As a matter of principle there is no doubt

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credit of Value of Refuse Stores—*continued.*

Chairman—continued.

that the refuse stores, when sold, ought to be dealt with by the Factories themselves.

Mr. *Arthur O'Connor.*

856. This refuse was valued for the purpose of crediting at a sum of 14,600 *l.*?—Yes.

857. How is that value arrived at?—On the estimated prices which the stores are likely to obtain on sale.

858. In what manner are those estimated prices calculated?—By the experience of previous sales and the state of the market combined.

859. Is it a matter of taking certain items out of an existing account; is there any book in which these items are written off?—Yes; the account is credited, and they are sent to the sale yard, I believe it is called, for sale by the Commissary General. In this matter they followed the old custom of the Department, which has been in existence for many years, and perhaps they did not give full consideration as to what its effect was upon the accounts.

860. The result is to benefit the Ordnance Factory Account at the expense of the War Office Account, is it not?—It might have that effect, certainly.

861. Who examined the Ordnance Factories Account in which credit was taken by the Ordnance Factories for such a large sum as this?—It is examined by our Auditor.

862. Was it examined by an Ordnance Factories officer or a War Office officer?—A War Office officer; but in doing this they followed the practice which has obtained for years, ever since these Factories were started. It has of course been found, now that there is a separation between the Factories Account and Vote 12, that the condition of affairs which existed before does not harmonise with the new system, and it is quite necessary to make a change.

863. This is a very signal illustration of the fact that stores looked at from two different points of view present two very different values: for the purpose of crediting the Ordnance Factories Account you get a sum of 14,600 *l.*, whereas in reality the stores are only worth about one-third of that?—No; I think that is not the case. I believe that experience has shown that these prices very closely approximate to the prices which are realised afterwards; but I cannot say what they were in this particular instance.

864. You do not know the circumstances in this case?—No.

865. Who would know?—I do not know that the value has been ascertained; but perhaps our Auditor, Mr. Hurst, could answer the question.

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.

Mr. J. C. HURST, called in; and Examined.

Credit of Value of Refuse Stores—*continued.*

Mr. Arthur O'Connor.

866. CAN you throw any light upon this point?—For some reason or other the Comptroller and Auditor General has called it refuse; but it really was not so. If you turn to the Annual Accounts of the Ordnance Factories and look at the balance sheet on page 3, you will see that in the account which I have passed it is described as, "For value of various stores, &c., issued to, and services performed for, Army Departments." That sum of 14,646 *l.* appears as the value of issues to the Ordnance Store Department; it does not represent refuse entirely, as stated in this observation by the Comptroller and Auditor General; it represents also some adjustment of account. Part of it is a sum of 1,000 *l.*, which we had to get rid of when the cost of powder was eliminated from this account; that is one thing it includes; also in some cases the value of orders which have been partly executed by the Department upon orders received from the Commissary General, and which, being countermanded, were handed over at cost price; that, of course, would not be refuse. As regards some portions of the issues from the Factories to the Commissary General of Ordnance, the prices were based upon rates which were issued half-yearly by the Director of Contracts who studies the market in those articles or materials, and he gives the Director General of Ordnance Factories a half-yearly price upon which he may make transfers of this description. Again, even supposing a large proportion of this was refuse, when it is said that 5,600 *l.* was realised by the Commissary General, that does not mean that he got 5,600 *l.* for what was valued at 14,600 *l.*, but it may merely mean that he had only sold or disposed of 5,600 *l.* worth out of the total amount received.

867. And he may have the balance?—He may have possessed the balance in stock; the portion unsold would be the balance in hand.

868. Could you say whether that is so as a fact?—I should think it is so. (Mr. *Knox.*) This is one of the points that the committee have been inquiring into, and I may say that Mr. Hurst, our Auditor, is a member of that committee.

Chairman.

869. (To Sir *C. L. Ryan.*) Do you wish to add anything upon this point?—The term "refuse" was taken from the entry in the account as given to us. However, the question of what it was does not seem to me to affect the point raised in my Report. It is really a question of one Vote profiting at the expense of another Vote.

[Mr. *Hurst* withdrew.

Credits to Appropriation-in-Aid of Sums not received.

Chairman.

870. (To Mr. *Knox.*) We are already aware of the view of the Treasury and the Comptroller and Auditor General that great importance attaches to the receipt, within the period of the account, of the full amount receivable in respect of the productions of the year; but it seems that there is no complete arrangement for the repayment in the cases of India, the Colonies, and the miscellaneous repayment services, which are understood to make repayment only on the completion of the work performed on their behalf by the Ordnance Factories. The result seems to be that at the close of the year 1888-89 sums amounting to 79,684 *l.* 0 *s.* 7 *d.* had not been received, and in numerous instances the amounts due had not even been made the subject of claim at the time of the Comptroller and Auditor General's Report. Under those circumstances how came this amount of 79,684 *l.* to be shown in the account among the sums actually received?—As I have already explained, the principle of the Account of the Ordnance Factories is, that it shall be credited with the amount of the expenditure that it has incurred on orders during the year. From the Indian Government we had received advances which were a set-off against the various orders which had been given, and which it was supposed would be completed in the year. It is true that those were somewhat under-estimated, and we did not obtain from the Indian Government that which would have been sufficient to cover the total expenditure incurred on behalf of that Government. We have not found very great willingness on the part of the Indian Government to make the necessary advances which would admit of the system being worked as it is intended; but I think we are now approaching an agreement, and we have already received on account of the present year's advances which we hope will completely balance (or very nearly, at all events) the orders which have been given for this year, and also the payments on account of previous years. This charge was raised against the Indian Account with the view of complying strictly with the condition that the Ordnance Factories Account must, in any event, be credited with the total amount of the expenditure incurred by that Department in the year. Under the arrangements I have referred to, if they work satisfactorily, all this will not recur.

871. But the Comptroller and Auditor General points out that whereas the step taken has been, as you say, to credit them as if received within the period of account to Appropriations-in-Aid, the more regular course would have been to show them as sums which were due but still outstanding on the 31st of March 1889?—It would have complicated and disturbed very much the Ord-

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credits to Appropriation-in-Aid, &c.—*continued.*

Chairman—continued.

nance Factories Account to have done so, and we should have been departing from the principle that the Ordnance Factories Account must be paid for the work which it has done.

872. But, as a matter of fact, that amount had not been paid, had it?—The War Office practically paid the money on behalf of the Indian Government with a view to a subsequent adjustment.

873. Out of Army balances?—Out of Army balances.

874. That nowhere appears in the accounts?—That is the way in which it does appear.

875. What appears in the account looks like the fact that the money had been received and was an actual Appropriation in Aid?—In the Ordnance Factories Account it does, but not in the Army Account.

876. (To Mr. *Ryder.*) I see that the Treasury lay down the rule that the date of receipt must govern the date of credit, and that no sum ought to be credited until it has actually been received; is not that so?—That is a Treasury rule, subject to a certain period of law for adjustment.

877. Would the Treasury be satisfied by a payment out of the Army balances in this way, seeing that the amount might never be recovered from the Indian Government?—So far as I can understand, from what Mr. Knox has told the Committee, the proceeding seems to me to be irregular, and I do not think that the Treasury would approve of it. (Mr. *Knox.*) The Indian Government having made an advance on account of supplies to that Government, it certainly is open (as the War Office understands it) to adjust that account. It is quite true that the advance was a small advance of an insufficient amount. But if, as we contend, it is open, whatever the advance is, if it is insufficient to cover the actual expenditure of the year, it must be subject to adjustment out of the next year's accounts, otherwise we could not work the system. Should it so happen that in any year India has advanced us 5,000 *l.* short of what we should charge against the Indian Government, if we cannot adjust that in the subsequent year the whole system must break down.

878. The question is one of accounting; namely, whether it is right to show in the accounts this money, as if it had been received from India, whereas really it is still outstanding and has only been supplied by the War Office to meet a temporary convenience?—I am not defending that; I think that we ought to have an arrangement with the Indian Government, and we have been pressing to have an arrangement with them, under which we should have quite sufficient advanced to meet their expenditure. I hope that such a case as this will not recur; but I think we must in some way have the power to adjust through the Army balances any deficiency in the advances that may arise in respect of orders on account of the Indian Account, or of the colonies. These orders are worked through the War Office

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credits to Appropriation-in-Aid, &c.—*continued.*

Chairman—continued.

machinery; and should we not be able to work this through the Ordnance Factories Account, we must work it through the Army Account, and practically regard the stores as Army stores until the Indian or Colonial Governments pay for them.

879. (To Sir *C. L. Ryan.*) I do not understand you to object to the Army balances being used in case of necessity, but I understand you to object to the mode in which the account is stated, by which it would appear that the Indian Government and the Colonial Government had really made those payments which they have not in fact made?—The Ordnance Factories Vote is an ordinary Vote and subject to the ordinary laws which govern all other Army Votes; an appropriation account is rendered of it containing the receipts and payments which are understood to have been actually made within the period of the financial year. It may not be desirable to vote the sum for other reasons; but looking at it as a statement of account (which is the only point of view from which I can look at it), upon the face of the account it shows, or ought to show, a deficit, because it would be impossible for the War Office, by simply crediting a suspense account with the amount, to turn into a matter of fact that which is not the fact. The account as it stands is not true. It is not technically correct to employ Army balances for making good that which is not a fact in the annual Appropriation Account connected with the Army.

880. You point out that the correct procedure would have been first to show the actual receipts under the Appropriations-in-Aid, and then the amounts outstanding on March the 31st?—Yes; I admit that it is inconvenient; but, as a matter of appropriation account, it is impossible to allow credit to a suspense account to be taken as equivalent to a receipt. (Mr. *Knox.*) Technically, the Comptroller and Auditor General is no doubt right; but, in my opinion, it will not do to regard this Ordnance Factories Account in the same rigid way as other accounts are regarded. Of course the system is to a great extent an experiment; it is entirely different from all the systems of accounts and estimates which have hitherto obtained in any of the services; and, if the same rigid rules in every respect are to be applied to it, I think there will be very great difficulty in working it. The question is whether it is worth while to maintain it in the way it can be worked, notwithstanding that some elasticity must be given to it, or whether we should revert to the old rules. Many difficulties arise in the working of it, and some consideration must be given to the system, at all events while it is in its early days. The principle which was laid down when the account was first framed was, that we were to get these moneys within the year; and if we had found the India Office as docile as we hoped it would be in accepting these arrangements, no doubt we should have done so. I think, however, it is now in a fairly satisfactory state

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19 *March* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. KNOX, C.B. [*Continued.*

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credits to Appropriation-in-Aid, &c.—*continued.*

Chairman—continued.

state of mind, and I think we shall be able to work with them. The alternative with regard to these small payments would be to work them through the Army Account; to give the orders on account of the Army, and charge India with them when they were issued by the store officers.

881. Is this one of the points referred to the departmental committee?—Yes, I think it is. It is not a matter which really affects the Ordnance Factories, because the Ordnance Factories have nothing whatever to do with the recovery of these moneys from these various Departments. That is done by the War Office; the Factories have no machinery for dealing with the various Departments; they have only to take the orders. We see to the recovery of the money.

Mr. *Arthur O'Connor.*

882. There is a Treasury letter, dated the 30th of March 1889, which takes up this position: "It is important to remember that although the Ordnance Factories are under the control of the Secretary for War, they are for all purposes of account as distinct from the War Department as from the Admiralty; they will deal with the War Department, the Admiralty, the Indian Government, and the colonies on uniform business principles, charging all alike on similar price lists, and depending for their working capital upon the payments of customers?—Yes, there is a little assumption in that letter.

883. What I was going to ask was, whether the representations as to the difficulty which you have now made to us, were made by the War Office to the Treasury in reply to that letter of the 30th of March 1889?—That is a letter addressed to the Admiralty.

884. Was not the same communication made to the War Office? I do not know whether we have seen the letter.

885. Were the representations which you have made to us to-day as to the difficulties made to the Treasury at any time?—No, I think not, because these difficulties in working the system have come out in the operation of the settlement of the account.

886. You would suggest now that the position of the War Office, as between the Ordnance Factories and India, is that of a *del credere* agent who has to collect the money when he can, but, at all events, to credit his employer (in this case the Ordnance Factories) with it?—We hope that we have made arrangements with the Indian Government to give advances to us which fairly represent the orders in the hands of the Manufacturing Departments.

887. I see that you do credit the Indian Government with 46,000 *l.* value of semi-manufactures now?—Yes.

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credits to Appropriation-in-Aid, &c.—*continued.*

Chairman.

888. (To Mr. *Ryder.*) The practical consequence of this is, as I understand, that a deficit is shown by the Comptroller and Auditor General upon the account; which, allowing for another point, which we shall deal with presently, is reduced to a net deficit of 60,547 *l.* 1 *s.* 1 *d.*; that appears to have been a real deficit in the accounts?—It is a true deficit if the account is made up upon strict principles.

889. If the view of the Comptroller and Auditor General should be sustained by the Committee, the result would be, would it not, that that money would have to be voted by Parliament?—It would have to be either voted by Parliament or recovered from the accounting officer.

890. What view does the Treasury take as to the effect of voting the money upon the account; what would become of this 60,547 *l.* if it were voted by Parliament?—If we may assume that the Ordnance Factories recover this particular sum from the people who owe it, in some later year, though not in the proper year, the effect of asking Parliament to vote that deficit would be that the Ordnance Factories would get the money twice over. They would then have to surrender the Vote. But I am not quite sure whether we can assume that the Ordnance Factories will recover the full amount of these sums. Perhaps it might be worth while asking the Accountant General whether he is sure that the sums will be recovered.

891. (To Mr. *Knox.*) Have you any means of judging whether that sum of 79,684 *l.* 0 *s.* 7 *d.* will be recovered?—It will be recovered from somebody, certainly. It may be that the Indian Government will not pay it all, because that is one of the items which on analysing we have found to be not correctly stated. We find that some of the claims made against India by the Ordnance Factories are not claims against India, and they will have to be charged against some other account; but, so far as they have been properly charged against India, not only shall we get the money, but I may say that we have the money.

892. If these claims fall upon the War Office, and some of the articles have been supplied to the War Office, then the War Office will have to come to Parliament to ask for the money, will it not?—They will have to be charged against the account for a subsequent year.

893. With respect to the other repayments for the colonies, and miscellaneous repayment services, does the same remark apply?—Those are also being recovered in the same way.

894. Any balance that there is the War Office will have to ask Parliament for, either in the present year or in some subsequent year?—They

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credits to Appropriation-in-Aid, &c.—*continued.*

Chairman—continued.

will be charged against the account of the year. If they are covered by the Estimate that is taken, there will be no special demand upon Parliament for them.

895. (To Sir *C. L. Ryan.*) Under these circumstances, seeing that the money that is actually due from India, the colonies, and the miscellaneous repayment services seems to have been recovered by the War Office, what is your view as to the mode in which this deficit had better be dealt with?—My view is that, although it is correctly stated as a deficit, as a matter of account it would be useless to ask Parliament to vote money on one Vote in order that it may be paid into the Exchequer on another Vote. So long as the principle of account is recognised, I should not wish to be understood to recommend the Committee to press the voting of this sum.

896. (To Mr. *Knox.*) Recognising the mode of accounting which is recommended by the Comptroller and Auditor General and by the Treasury, perhaps this question will be further considered by the War Office?—That is the method which we wish to follow; but I think that we must regard the Indian Government much in the same way as the Army and Navy are regarded in their relations to the Ordnance Factories Account; that is to say, that the Ordnance Factory is an agent department as regards the Indian Government as well as the Army and Navy, and the balance on their account must be subject to adjustment; and inasmuch as we have the money to adjust this balance, it appears to me there ought not to be any question about such an outstanding charge as this. It is quite true that at this time we had not the money from the Indian Government or only a very small portion of it; but if the Army Account is open to adjustment, and the Navy Account is open to adjustment, similarly the Indian Account should be open to adjustment.

897. (To Sir *C. L. Ryan.*) I understand that it is open to adjustment during six months of the year; is not that so?—No. The India Office is not an Agent Department, and is not so recognised by the Treasury. (Mr. *Knox.*) I understand that the Treasury are not prepared to regard the Ordnance Factories as an Agent Department for India.

898. (To Mr. *Ryder.*) What would be your view as to that?—I think if India makes sufficient advances upon its orders, then you may bring to the credit of the Appropriations-in-Aid those portions of such advances which you can prove within a certain period of law after the 31st of March to have been finally expended on account of India. (Mr. *Knox.*) Within the period of our Account. (Mr. *Ryder.*) That is my idea, but I speak under correction; it is possible that I may be wrong. (Mr. *Knox.*) For this special purpose I suppose there would not be any objection on the part of the Treasury to make the same

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credits to Appropriation-in-Aid, &c.—*continued.*

Chairman—continued.

concession as regards India as is made in regard to the Army and Navy. It is necessary that it should be worked in that way; otherwise, as I have explained, we must work the whole of it through the Army Account; and that would be recognising the Army balances, as has been the custom hitherto, as available to meet deficiencies in the advances of the Indian Government.

Mr. *Barran.*

899. Would there not be much more probability of difficulty arising between the Manufacturing Departments and India, than between the Manufacturing Departments and the Army and the Navy?—The Manufacturing Departments could not arrange this matter directly with the Department.

900. Would not there be much more danger of the War Office differing in opinion with India than in the case of the Army and Navy?—No, I do not think so.

901. You stated to the Committee a short time since that some of the difficulties with India which existed have just been adjusted?—Yes.

902. How was it that those difficulties arose?—They rather demurred to making advances on account of orders; it was contrary to their practice to do so. The custom was that they would give orders, and we would send them to the Ordnance Factories, and as they were executed and completed, and the stores supplied, India used to pay, the Army balances being used for the purpose of turning out the stores.

903. Have you any difficulty of that kind with the Army and Navy?—We are about to proceed upon a new method. A separate account is being opened for the Ordnance Factories, and the Army and Navy will make advances from time to time to this account to keep the Factories in funds to carry on the orders they have given them, and it is intended that India should do the same through the War Office books.

Chairman.

904. (To Sir *C. L. Ryan.*) The question remaining to be considered is a very simple one, namely, whether India can be recognised as one of the customers for which the Ordnance Factories should act as an agent; have you considered that point at all, and are you prepared to advise the Committee upon it?—I think that is a point which it would be better for the Treasury first of all to express an opinion upon. In principle I should see no objection to India being recognised as regards agency, and the same rule being applied to them as applies to the Army and Navy. But the rule must still be maintained tht the receipts must be within the year. If the receipts from India are not within the element of agency it will not bring them within the year. The main rule of

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credits to Appropriation-in-Aid, &c.—*continued.*

Chairman—continued.

of agency is that transactions conducted by the agents are recognised, although an adjustment of accounts may not have taken place. India must be prepared to make payments in advance to the amount of the productions that are made for them. (Mr. *Knox.*) That is not the theory of an Agent Department. The theory is that the balances should be subject to a subsequent adjustment. Whether a payment shall be made or a balance held over, depends upon the charge being verified.

905. That is the mode in which the Ordnance Factory actually carry on its business with the

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.
Credits to Appropriation-in-Aid, &c.—*continued.*

Chairman—continued.

Army and Navy?—Quite so; we could not estimate within 10,000 *l.*, or anything like it, what the charges would be on account of the Army and Navy.

Mr. *Arthur O'Connor.*

906. Is it possible to get between this and next Wednesday some arrangements between the War Office and the Treasury and the India Office upon the point?—I think that we have come to an arrangement with the India Office.

[The Witnesses withdrew.

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Wednesday, 26th March 1890.

MEMBERS PRESENT:

Mr. Barran	Sir John Lubbock.
Sir Walter Barttelot.	Mr. Arthur O'Connor.
Mr. Donald Crawford.	Mr. Salt.
Mr. Jackson.	Sir Richard Temple.
Sir Ughtred Kay-Shuttleworth.	Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

ARMY APPROPRIATION ACCOUNT, 1888-89.

Sir CHARLES LISTER RYAN, K.C.B., Mr. EDWARD W. HAMILTON, C.B., and Mr. G. L. RYDER, C.B., re-called; and further Examined.

On VOTE 4.

MEDICAL ESTABLISHMENTS, PAY, &c., SUPPLY OF MEDICINES, &c., TO THE ARMY.

Sir THOMAS CRAWFORD, M.D., K.C.B., Q.H.S., called in; and Examined.

Surgeon General W. A. MACKINNON, C.B., re-called; and further Examined.

Chairman.

907. (To Sir *Thomas Crawford.*) I THINK that only a few months ago you held the office of Director General of the Medical Department of the War Office?—Yes.

908. You have probably had an opportunity of seeing the evidence which this Committee have already received on the subject of the supply of medicines to the army?—I have.

909. The Committee are struck with the fact that only two firms are employed in England, and one firm in Ireland; perhaps you would favour the Committee with your views on that system?—The present system of supplying drugs to the army is a development of some 40 or 50 years' standing. The principle lying at the root of it really is to give a fair market price for the best drugs, and to supply them only from firms whose reputation justifies the belief that they will only issue the best drugs. As a natural consequence, the medical authorities, with the approval of the Secretary of State, selected the two professional bodies who are responsible to the profession at large for the quality of the drugs which is defined in the British Pharmacopœia, namely, the Society of Apothecaries of London, who are also a trading body, and the Society of Apothecaries in Dublin. With those has been associated for many years, going back beyond my recollection, the employment of another firm of experts who, in addition to furnishing a portion of the drugs for th· public services, have also given considerable assistance to the Medical Department in a technical sense, in such ways as analysing drugs when necessary, examining returned stores to see if they have depreciated in value in any way, and advising with regard to the manner in which they should be dealt with before re-issue. Those are technical points which have been chiefly entrusted to Messrs. Savory and Moore, who are technical chemists as well as druggists.

Chairman—continued.

910. What you have said with regard to the the employment of Messrs. Savory and Moore to supply the Army refers only to England, I think, and not to Ireland?—The Services generally are supplied at home in the main in Ireland from the Society of Apothecaries, and in England and Scotland from the Society of Apothecaries of London, and Messrs. Savory and Moore, plus the issues made from the public stores in Woolwich, which are sent indiscriminately to all the Services if the stores at Woolwich have accumulated to such an extent as to render it desirable that they should be distributed. I may say that the stores at Woolwich are generally either reserve stores kept in stock for issue to Armies taking the field, or returned stores which have come back from out-stations, or from foreign stations, or from depôts which had been formed during war time. These returned stores go to Woolwich in bulk, and from thence they are distributed, without reference to the source from which

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26 *March* 1890.] Sir C. L. Ryan, K.C.B., Mr. Hamilton, C.B., Mr. Ryder, C.B., [*Continued.*
Sir T. Crawford, M.D., K.C.B., Q.H.S., and Surgeon General Mackinnon, C.B.

Army Appropriation Account.

Vote 4.—Medical Establishments, &c.—*continued.*

Chairman—continued.

which they came, to all the services in England and Ireland as they may be required.

911. Putting aside the returned stores, do the stores at Woolwich draw from the Irish Apothecaries' Hall as well as from Messrs. Savory and Moore and the Apothecaries' Hall, London?—No.

912. So far as they draw new stores, they draw from the two English firms, I understand?—Yes. There is also a considerable expenditure of stores which are not issued by either of those firms, namely, the supply of medicines by civil practitioners employed in the three kingdoms, who generally supply their own drugs and obtain them from any source they think fit. That is charged in the Estimates for drugs, but it does not amount in the aggregate to many thousands a year. It is, however, a source of supply which is also recognised by the War Office.

Mr. *Arthur O'Connor.*

913. That is only a casual supply, is it not?—It is almost constant. There are some 50 to 100 civilian practitioners at all times employed in charge of small detachments, who are paid either for their professional services, including the supply of drugs, or possibly if they have charge of a station hospital, they are paid for their professional services, excluding the supply of stores, which in that case would be sent from the War Office stores or from the contractor.

914. It is casual in this sense, is it not, that it refers to supplies to only small bodies of men, and from time to time?—Quite so.

Chairman.

915. Putting aside these minor points, and keeping only to the fact that the great bulk of the supplies to the Army are drawn from these three firms, two in England and one in Ireland, are you satisfied that that is a better system than one of more extended competition?—It has always been considered so in my time. I have had considerable experience of this particular matter, having been some years ago head of the medical branch as a subordinate officer in the office, when I had charge of these special duties, and also as Director General during the seven years which terminated last May. I have during that time had repeated opportunities of going into this question. It has been often raised; some firms outside have applied to be employed in this way, and the Secretary of State has directed inquiries from time to time, and sometimes by independent committees, and the result has always been the same, that it has been concluded, after careful consideration and having regard to the amount of money expended by the War Office in drugs for the Army, that we could not devise any

Army Appropriation Account.

Vote 4.—Medical Establishments, &c.—*continued.*

Chairman—continued.

other system which would give the same security as to the quality of the drugs issued, and obtain them at the same cost.

916. When you say "having regard to the amount of money expended," you mean, I presume, having regard to the fact that the sum expended altogether is not very large?—Quite so.

917. Are you satisfied that, considering that point of the smallness of the amount of money involved, you obtain the supplies for the Army as cheaply as you can reasonably expect?—I am quite satisfied that we do, having regard always to the security that we have as to the quality. I may mention in connection with that matter, that I think the Army, and the medical officers in the Army, are also satisfied on that point, that they are assured they have the best quality of drugs.

918. Has it ever been considered whether you might have competition with respect to certain articles which are most largely used?—Frequently. In 1882, before I became Director General, my predecessor took the question up, and a committee was then appointed to go into the whole question of the supply of drugs, especially as regards applying to the manufacturers of chemicals and to the larger importers of foreign drugs, so as to get the drugs in the market of the best quality and at the same time at the cheapest rate. But the conclusion at which the committee arrived was, that to do this you must necessarily have a laboratory and stores suitable for the purpose of receiving your drugs in quantity, and the means of testing, so that you might be perfectly certain that what you received was of the standard quality. These appliances were not available, and it was found that the cost of establishing such a factory as was considered necessary would be so very great that it was much cheaper to continue to deal with the firms employed, whose supplies heretofore had always given perfect satisfaction, and whose prices did not exceed in the aggregate the usual market prices of the best firms.

919. With respect to the stores, are your present stores not sufficiently large to enable you to undertake the distribution of all drugs for the Army from them?—They are not sufficiently large for that purpose. But even if it were possible to use the basement storey of the Herbert Hospital for the purpose of re-packing to a greater extent than is done at present, it would not be safe to put a laboratory in that position. No engineer officer, and no person having regard to the safety of the hospital, would allow a factory for the purpose of re-making and re-testing chemicals and drugs of various sorts to be established in such a position. It was held, therefore, that we could not do that part of the work, under any circumstances, in the Herbert Hospital. And, moreover, so far as my judg-

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ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, &c. – *continued.*

Chairman—continued.

ment goes, the whole available space in the Herbert Hospital is fully occupied in storing our reserve war stores, which are kept packed up there and ready for issue, and in housing the depôt returned stores to which I have alluded.

920. We have already heard that one objection to buying wholesale is that many drugs are perishable and would deteriorate in quality by being kept. Some of the drugs and articles, I suppose, which you purchase are more durable than others, and with respect to those which are more durable, could not they be bought in much larger quantities, and at wholesale prices?—They could, if the means of distributing existed, and if in purchasing them in large quantities at wholesale prices, and re-distributing them, the cost of re-distribution was not greater than what we pay our present contractors for doing the duty.

921. It has been suggested that the prices amount only to wholesale prices, plus an allowance for packing and distribution; is that a fair representation of the prices that are paid to these three firms?—I think it is. When you say plus an allowance, I might say that is a diminishing quantity regarded from the point of view of the price lists of other firms; but I think, generally speaking, during my time the price of drugs furnished by our so-called contractors (they ought to be called "suppliers" as a matter of fact) has not exceeded the prices for similar qualities issued by the best firms.

922. Is there not a fallacy there owing to the fact that a discount is allowed in the trade upon these wholesale prices published by these other firms?—No doubt that is the case, and perhaps that may be considered the margin that represents the profit of the contractor for this extra duty in packing.

923. Do you know at what rate the discount allowed is calculated?—I am not prepared to say what it is in the trade generally; but some considerable number of years ago, when the question was under consideration, one of the directors of the Apothecaries' Society came to see me on the subject. We pressed them to reduce their prices, and a deputation waited upon me to represent that, unless we were prepared to give them a latitude with regard to the quality, they could not reduce their prices; and they then satisfied me that we were getting our supplies from them at cash prices, some 2½ per cent. below what they gave to their usual customers, which would represent discount.

924. Then there has been another point under the consideration of the Committee, namely, that it appears that very different prices are charged for the same article by the two firms in England, and, nevertheless, we are told the orders are distributed about half and half for each article between those two firms; is that the case?—That, in the main, is correct, but it is open to

ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, &c.—*continued.*

Chairman—continued.

some explanation. I may mention that the only contract that we have with these firms is that we get price-lists from each of them at the beginning of each quarter, which are to regulate the issues for the following quarter. During my term of administration of the department it was the custom in the office (a custom which is still observed) to compare these lists, and if we found that the prices of a number of the drugs usually issued in bulk or in quantities to various services exceeded in one list by any material difference the prices quoted in the other list, we wrote to that firm, pointing out that such and such drugs were quoted at prices that we considered high, as compared with price-list in the market, and called upon them either to reduce their prices or give an explanation if they were unable to do so. This course was pursued with regard to all the three firms. If, therefore, on comparing the price-lists received from the three firms we found, for example, a number of drugs in the list of the Apothecaries' Society of London, put down at prices in excess of the prices charged by the others, we called upon them to reduce their prices; or, if on taking other drugs we found them cheaper in their list, but higher in the list of the Apothecaries' Society of Dublin, or of Messrs. Savory and Moore, we repeated the query to those two firms. Explanations were received, and then the point was determined. Sometimes they made a reduction, and sometimes they refused to do so, giving their reasons; but on receipt of those explanations it was then finally determined as to whether the contract should be accepted as explained by them.

925. But when finally the different prices are settled by the different firms (I will confine myself at present to the two English firms), is it the practice to give the order for a particular article to the firm which charges the lowest for it, or to distribute the orders for that article between the two firms?—The orders are given in this way, if you will permit me to explain it, so that my answer may be clear: The requisitions come in from the services which require drugs at stated periods. When received, the requisition for each service contains all the drugs that particular service requires. Sometimes they are comparatively small in quantity, and sometimes they are large. That requisition in whole, as a rule, is examined at Woolwich, and the Woolwich people cross out on it all those items which they can supply from their reserve stores, and the requisition is then sent to one of the firms. If, however, on turning over the reserve stores at Woolwich, which are kept packed for the use of the Army in the field (of which we have now many thousand pounds worth), issues are made, then those stores have to be filled up again; and this process of filling up has to be done by the storekeeper at Woolwich. It is then open to the Director General to direct stores of the quantity

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ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, &c.—*continued.*

Chairman—continued.

quantity required to be selected from either of the lists: and as a matter of fact it has been the custom to take the cheaper drugs from each list and send them down to Woolwich for the purpose of replenishing our stores. But in other cases it has not been the custom up to the present to break up the requisitions and divide the orders. We have always tested the cost of drugs issued by the different firms, not by comparing particular drugs, but by taking the whole price-list as it stands, and calculating what the requisition would cost, and then taking the price-list of the other firm, and taking out what it would cost if supplied by them. Generally we have found that the margin of difference between the two is so insignificant as not to justify the clerical labour and other expenses that would result from dividing the requisition, and in sending two or three parcels, as the case may be, to a distant service instead of one, the cost of carriage being in some of these cases a serious addition to the cost of the drug itself.

926. I have before me some figures which have been taken out, showing that for certain drugs and other articles the prices of Messrs. Savory and Moore are lower than those of the Apothecaries' Hall, while for another series of articles they are higher; I gather from what you have just stated that, if you strike an average, the results are pretty similar?—Quite so.

927. If you were to draw more largely from your stores at Woolwich for the Army, you might economise, might you not, by ordering a particular article only from the firm that charges lowest, as you say you do already for the limited quantity which you do store at Woolwich?—Quite so.

928. You would get that economy as a set-off against the expenses which would arise from keeping a larger store?—Yes, but we should have to keep a larger staff for issuing the stores, and that would add to the general expense.

929. I see that there are very great discrepancies in the prices charged for certain things. For instance, taking distilled water, I see the price is given here as 3*d.* from the Apothecaries' Hall and 2*d.* from Messrs. Savory and Moore, so that the price of the Apothecaries' Hall is half as much again as the price of Savory and Moore?—Yes, but that is an article that is very little used in the service. It is, as a rule, only used for making a solution of nitrate of silver, and for making some ophthalmic medicines, so that it does not raise any large question of expenditure. I may say that, in dealing with these price-lists, we have never considered it wise to communicate the price-lists of one firm to the other. I do not know whether each firm has other means of checking the prices of his neighbour; but, so far as is known, or, at least, so far as was known to the Department in my time, no such communica-

ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, &c.—*continued.*

Chairman—continued.

tion really did exist. It was not, therefore, thought wise to take any notice of trifling differences which did not involve large expenditure, nor did we ever take notice of large differences which sometimes existed in the case of drugs which we were not in the habit of issuing; they were generally ignored.

Mr. *Arthur O'Connor.*

930. Have you any system of analysing the drugs which are sent to you?—No, except by sending them to Netley, or to Messrs. Savory and Moore, or to the Society of Apothecaries. We have no laboratory in which analyses could be made at Woolwich.

931. I suppose that there is, among medical men generally, no particular knowledge or skill with regard to drugs as such, I mean looking at the question from a chemist and druggist point of view?—That is, I believe, quite the fact.

932. I may take it that medical men generally are content to rely upon the character of a house like Savory and Moore's, because they feel persuaded that they will get a good article there, and that is very important?—Yes, quite so. And as an illustration of the value of the reputation of our drugs, I might mention that the waste, by having drugs condemned as being of an inferior quality, is extremely small. Not only do they keep well, but they are used up almost to the last remnant.

933. Messrs. Savory and Moore are a retail firm, are they not?—They are, in the main.

934. Why do you go to a retail firm instead of to a wholesale firm?—The connection with Messrs. Savory and Moore sprang, I believe, out of conditions of this technical nature that you have just alluded to, namely, they were very competent chemists, and many years ago, long before my recollection, they supplied a technical knowledge which they placed at the disposal of the head of the Medical Department, and for which, practically, the State paid nothing; but, as some compensation, the firm received orders, and out of that the system has grown up of our continuing to get supplies to a certain extent from this firm; and, I think, that was accentuated by the excellent services rendered during the Crimean War, and which has continued ever since.

935. Savory and Moore, themselves, obtain their drugs from wholesale dealers, do they not?—They do.

936. Would not it, therefore, *primâ facie*, appear to be cheaper to go to the same source as Savory and Moore go to, rather than employ Messrs. Savory and Moore as intermediaries?—Yes, if we had the same means of distributing and testing the drugs as Messrs. Savory and Moore have.

937. Have you made any application to any wholesale dealers in drugs and chemicals with a view to seeing whether you could not supply the

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ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

Army cheaper than you do?—We have had many applications from them offering to supply, and those applications have been considered. I am not aware that any application has been actually made to any firm on the subject; because we were very well satisfied with the arrangement as it stood, and quite satisfied that we could not make a better one.

938. That is to say, you were satisfied upon the point of the purity and quality of the drugs?—Yes, and the cheapness also.

939. Have you endeavoured, by application to any wholesale houses, to ascertain for certain whether you could not effect a considerable economy upon the supply of drugs?—Yes; applications have been made both by the Director of contracts, and, on more than one occasion, by the head of the Medical Department, to ascertain whether that could be done. Some of the best wholesale houses would decline to supply drugs in the manner that we issue them altogether; it was therefore considered useless to discuss the matter with them.

940. The other day we had before us a comparative list of the prices of the different houses; I do not know if you have that list with you now?—I have a list here which covers the date of the accounts which are before the Committee. I have also the list that you had on the last occasion (*handing the same to the honourable Member*).

941. Was this list made out with the wholesale or the retail lists of the firms named here, Messrs. Barron and Harvey, and Messrs. Evans, Lescher, and Webb?—Those prices quoted there are from the wholesale lists.

942. (To Surgeon General *Mackinnon*.) You had also on the last occasion, I think, the wholesale lists of those firms which are not included in this table?—Yes; those lists were left with the Committee on the last occasion.

943. (To Sir *Thomas Crawford*.) Now, with regard to these lists, can you tell us anything definite as to the amount of discount which is allowed to Messrs. Savory and Moore from the War Office?—I do not understand what is meant by the word "discount' in your question.

944. The bills are paid from time to time, I suppose?—Yes, I believe they are paid in full. I do not think that there is any discount credited to the State.

945. Is it not the rule with regard to all these wholesale chemists and druggists that they will give 15 per cent. off the prices shown in their lists for retail dealers and 5 per cent. off their wholesale list, that is to say, the list for wholesale houses only?—I have not the list before me. Some of them do quote prices which admit of a discount which they are prepared to give for cash. Of course in the case of the lists we receive from our so-called contractors, the prices are cash prices quoted by them.

ARMY APPROPRIATION ACCOUNT.

Vote 4.—Medical Establishments, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

946. Clearly; but have you ever attempted to ascertain whether the firm of Messrs. Evans, Lescher, and Webb, for instance, would not supply goods at least as good as those of Messrs. Savory and Moore, and for prices very considerably less than theirs?—They have stated that they would. It is within my knowledge that they have offered to supply drugs at less prices than we pay these contractors; but that statement was made by Messrs. Evans, Lescher, and Webb, and by some other firms also, without knowing all the conditions which we would exact from them in making the supplies. The matter was not followed up because it was not considered desirable to change the system.

947. Do you say that they offered those prices in ignorance of the conditions?—I am not aware of their having had the conditions; they certainly did not get the conditions from me when I was Director General. I do not know whether they could get them from the Director of Contracts.

948. Do I understand you to say that these prices obtained from Messrs. Evans, Lescher, and Webb were considerably less than those shown by Messrs. Savory and Moore, but that they were rejected by you because you thought that Messrs. Evans, Lescher, and Webb did not understand the conditions of distribution?—No, that was not what I intended to convey. I merely stated that the matter was not further considered because it was not then considered expedient to change the system of supplying the Army; but so far as I know, when Messrs. Evans, Lescher, and Webb made the offer they did not know our terms.

949. Then there was, as I gather, a condition in the service which was withheld from their knowledge?—Not if they had asked for it.

950. Then they were tendering in the dark?—I am afraid that I have still not made myself clear. No public tenders have been called for within my knowledge from any of these firms. I remember one firm (not Messrs. Evans, Lescher, and Webb, but Messrs. Davy, Yates, and Company) coming to me and offering to supply drugs at a cheaper rate. I gave some explanations to them with regard to the terms on which our supplies were issued, and although they continued to send us their price lists regularly so long as I was in office, I do not think they made any formal application afterwards to obtain the contract. One of the things that I explained to them was the extreme smallness of many of our issues; and if you would permit me to go back upon the answer I gave just now, I would like to illustrate that by reference to a table which I have had made out. I find that during 1888, which I think is the year now being reviewed, we issued 33 requisitions under 5 *s.* value for the whole requisition; of the value of 5 *s.*, and under 10 *s.*, we issued 40 requisitions for the different services; of the value of 10 *s.* and under

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Mr. *Arthur O'Connor*—continued.

under 20 *s.*, there were 60 requisitions for 60 different services; of the value of 20 *s.* and under 50 *s.*, there were 121 requisitions; of the value of 50 *s.* and under 5 *l.*, there were 93 requisitions.

Chairman.

951. Are those only requisitions that were passed on to the firms?—Those are the requisitions that were passed on to the firms and each issued as one complete transaction. The quantities are so small that in many cases many of the most respectable wholesale firms would not entertain them at all.

Mr. *Barran.*

952. May I ask what was the total number of requisitions sent out during that year?—There were, in addition to those I have mentioned, 322, making a grand total of 665 requisitions. That is apparently for the half-year ending the 31st December 1888.

Chairman.

953. Is that for the whole Army?—For the services at Home and in the Colonies.

954. Including Ireland?—Including Ireland. I have taken from the different books the number for each service, and that is the aggregate. I have the figures here, if the Committee would like to see them (*handing a list to the Chairman*).

Mr. *Arthur O'Connor.*

955. Going back to the list produced by Surgeon General Mackinnon on the last occasion, I see that the figures which you put down for the other firms who might be applied to, are figures in excess of what is shown on the trade lists which I myself obtained from one of the firms. I will take the case of chloral hydrate. It is shown in this list that you get that from the Society of Apothecaries for 5 *s.* 9 *d.*, from the Society of Apothecaries in Dublin for 6 *s.*, and from Messrs. Savory and Moore for 6 *s.*, and you say that Messrs. Barron and Harvey charge 6 *s.* also, and Messrs. Evans, Lescher, and Webb, 5 *s.* 9 *d.*; I have been to Messrs. Evans, Lescher, and Webb's and asked for their list, and I find that on that list the same article figures at 5 *s.* only; how do you explain that difference?—Those druggists' lists are issued periodically.

956. The list I have is dated the 4th of March 1890?—That would probably be a later one. The price of drugs varies from quarter to quarter, and from month to month; that list was not made in my time.

957. (To Surgeon General *Mackinnon.*) This list, which you produced last time, was prepared for the purpose of the last meeting of this Committee, was it not?—Yes, the list you have in your hand was.

958. Then I will not refer to it any more. (To Sir *Thomas Crawford.*) Have you had any

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Mr. *Arthur O'Connor*—continued.

opportunity of comparing price lists upon which you pay for drugs, and the price lists upon which the Navy pays for drugs?—I have frequently.

959. Is there much difference?—There is a considerable difference.

960. How do you account for the difference?—I account for it in two ways. In the first place the system of supplying drugs to the Navy is entirely different from ours. They have, I believe, what is called an open contract, or at all events limited competition, and they get from the contractors, to whom they give the contract for a fixed number of years, their drugs in quantity, and send them to the medical stores, where they are dealt with by their own medical storekeepers, there being many medical stores in connection with the Navy both at Home and in the Colonies.

961. When you say that the Navy get these things in quantity or bulk, do you mean that for such a thing as balsam of copaiba they would get it in a cask and bottle it themselves, or would they get it in bottles from the contractor?—I am not able to say; but I do not think they would get it in casks.

962. Take cod liver oil, for instance, how would they get that?—I should think in bottles.

963. Then they do get it in retail in bottles, though they call it in bulk?—I am afraid that I could not answer that question definitely; but the distribution of drugs to the Navy is conducted in this way. At Haslar, for example, there is a large hospital with a medical store. There the medical store supplies the ships, putting in all the drugs that are required, and they pass out of the medical store of the general hospital into the dispensary of the ship; and so it is at all the other large ports where there are large hospitals.

964. Do you know anything about the discount allowed to or obtained by the Navy?—I believe they get 2½ per cent; but I am not quite sure.

965. Do you know anything about the supply of drugs to convict prisons in this country?—No.

966. Do you supply the military convict prisons?—I do not think we supply any of them now; at one time we did supply some, but I think they are now supplied from the Civil Service.

967. Are you aware that the convict prisons get supplied much more cheaply than the Army?—I am not.

968. Now, with regard to stations abroad; take such a thing as ether, or different tinctures, could not you supply the stations abroad much more cheaply if you got the things out of bond?—I do not think that you could get the medicines prepared in the form in which we have them for issue out of bond; I am not aware of its being possible to do so. We issue for the service the the drugs prepared according to the Pharmacopœia; we do not issue in kind, except for rare

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Mr. *Arthur O'Connor*—continued.

purposes and in small quantities, articles such as spirits of wine, and things of that sort, which are subject to duty and might be exempted from duty by passing them through a bonded warehouse.

969. You have never attempted to save the duty, I understand?—We have not, so far as I know. I do not think that the quantities which are issued pure would cover the expense of making the necessary applications.

970. Is it proposed in the Army Medical Department to make an application to any wholesale houses that would be likely to contract for the supply of stores?—I think, perhaps, as I have retired from the department, I had better not answer that question; I am hardly in a position to do so.

971. I will ask you generally, would it not at any rate be possible for the Army Medical Department to invite tenders from a number of manufacturers or wholesale dealers, and to check the supplies by submitting them, say, to Mr. Bannister, who is the analyst at the Inland Revenue Department, Somerset House, or to Dr. Holmes, or Sir Dyce Duckworth, or Dr. Brunton, who are Professors of Materia Medica at Bartholomew's Hospital and other places; would there be any difficulty in doing that, in your opinion?—I think the expense of submitting to those gentlemen to be tested all the issues we make would be greatly in excess of what we would save in getting them from wholesale firms at even 15 per cent. discount.

972. As regards the quality, I understand at present you do not check the issues?—They are checked so far as this, that they are always subject to the approval of the medical officer who uses them, and if they are condemned by him, they may be returned.

973. But I gather from the answer you gave me just now that the medical officers are not as a rule specially qualified to judge of drugs?—I did not say that they were not qualified to judge of the effects of the drugs on their patients, which is a different thing from judging of a drug as a chemist would. I think that a medical officer when he prescribes a drug to cure a disease will be able to judge whether that drug has acted in the way he expected it to act or not. What I intended to convey was merely that they are not qualified specially as druggists would be to judge by observation of crude drugs or of chemical preparations. It is different when they have to judge of the effect of a drug which they have prescribed for a sick patient; I do not say they could not judge of the effects.

974. Take such a thing as hyoscyamus; how many medical men do you think could distinguish between the annual or the biennial leaf!—Very few I should think; but most medical men would be able to judge of the effect of a dose which they have prescribed when it is given to a patient.

975. Therefore the only check is based upon a failure of treatment as I understand?—Possibly, or rather, I should say, upon failure of the drug. There is one statement which I should like to make if the Committee will allow me to supplement an answer which I gave just now to the Chairman about the division of the requisitions. I have here an illustration of the consequence of dividing one of those requisitions, as was suggested to me. As I came down here I called at the Director General's Office, and asked him for an illustration, and he gave me this requisition of the present date which is being now dealt with. This requisition comes now from one of the Guards' Hospitals; the whole value of the drugs is about 14 *l.* It is now in hand to be issued. If sent to the Society of Apothecaries it would cost 14 *l.* 9 *s.* 4 *d.* as it stands; if sent to Messrs. Savory and Moore it would cost 14 *l.* 7 *s.* 4. as it stands. Those firms have not seen this requisition yet. If it were dealt with, as was suggested, by taking only from each house the cheapest article, there would be a saving of 7 *s.* That is rather an excessive difference, because there are two or three drugs here, the difference in the price of which explains the whole thing.

Chairman.

976. That is rather an exceptionally large requisition, is it not?—Yes. It is the half-yearly requisition from one regiment of Guards, which is now in course of being dealt with. It is signed by Surgeon Forrest.

977. I gather that it is exceptionally large, because it appears, from the table which you handed to me, that in the case of rather less than half of the requisitions the value is over 5 *l.*?—Yes. In this case it is a yearly supply.

Mr. *Barran.*

978. If I rightly understood the question which the Chairman put to you, you say that the average of the requisitions is about 5 *l.*; but is it not the fact that that is the amount for the half-year, and that the average for the year would be 10 *l.*; taking the number of requisitions for the half-year, which you give us as 665, and doubling that, the total amount being 13,000 *l.* a year, it averages about 10 *l.* for each requisition for the year, does it not?—The average, including all expenses connected with drugs, medical appliances, and other things, storing and packing, &c., is estimated this year at 12,000 *l.*

979. I have got the amount down as 13,000 *l.*?—I speak under correction; perhaps I may be wrong.

980. It was previously stated that the average was about 13,000 *l.* a year; the figure you gave us just now was 665 *l.* as the number of requisitions in the half-year, and doubling that it would be 1,330 *l.* for the year, which would give 10 *l.*, in round numbers, for each requisition?—Yes; but the point that I wanted to bring out was, not the average value of the requisitions, but the intrinsic value of each particular requisition. I wanted

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Mr. *Barran*—continued.

to show that the issues are in many cases so small that the mere cost of issuing and packing is almost as much as the drug costs, and those cases are so numerous that no exclusively wholesale house would, I believe, have anything to do with such supplies.

Chairman.

981. The question I asked you was not, as the honourable Member understood, as to the average value of the requisitions, but what I asked you was, whether it was not the fact that less than half of the requisitions issued were of the value of over 5 *l.*?—Quite so.

982. The table which you have handed in, pointing, not to the low average of the requisitions, but to the large number of requisitions for small values of under 5 *l.*?—Quite so. With regard to this particular table, when I said that the requisitions come in twice a year, I ought to have said that that is so from the Home stations; they only come in once a year from the Foreign stations. This table being made out in December, it has probably the whole of the foreign requisitions in it for the year, so that it shows a greater proportion of large requisitions than is a fair representative proportion for the half-year.

983. Could you hand in a table for the whole year, in the same form as this one, which would give us the exact facts as to the proportion of the smaller requisitions?—Certainly; I am sure that the Director General will be happy to have such a table made out. [I find on reference to the Director General's Office that my reply to Question 952 is not quite correct. The figures given in the first sentence of that reply include all items for the year, not merely the issues for the half-year ending 31st December.]

Army Appropriation Account.

Vote 4.—Medical Establishments, &c.—*continued.*

Chairman—continued.

Mr. *Arthur O'Connor.*

984. Have you any reason to suppose that any of the leading wholesale houses would not be perfectly willing to do now all that is done now by the Apothecaries' Hall and Messrs. Savory and Moore (who are retail dealers) in the matter of distribution, without any addition to their charges?—I am afraid I could not answer that question without consulting the houses. I think that it would be necessary, before appealing to any of these houses, to say whether they would conduct the business as Messrs. Savory and Moore do, that they should know exactly what the conditions are and what the service rendered by Messrs. Savory and Moore is.

985. (To Surgeon General *Mackinnon.*) Could you undertake to make that enquiry and let the Committee know the result?—I suppose I should require to get the permission of the Secretary of State to do that.

[Sir *Thomas Crawford* and Surgeon General *Mackinnon* withdrew.

Mr. Ralph Henry Knox, C.B., re-called; and further Examined.

On Vote 9.

Transport and Remounts.

Irregularities in Coastwise Freight of Army Stores.

Chairman.

986. In answer to Question 744 you stated that you would mention to the Secretary of State that the Committee would like to see the Report of the committee of officers; perhaps you can now inform the Committee what is the view of the Secretary of State?—I referred the matter to him, and he drew up this memorandum, which he asked me to lay before the Committee; perhaps I had better hand it in in manuscript (*handing the same to the Chairman*).

Chairman—continued.

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.

Chairman.

987. (To Mr. *Knox.*) In answer to the last question, put at the last sitting of the Committee, you intimated that you thought that the War Office had come to an arrangement with the India Office; can you give this Committee any further information as to the nature of the arrangement that has been made with the India Office No. I am afraid that my expectations cannot be confirmed. The letter that had been received that morning from the India Office was not a satisfactory one; it has been replied to, but we have not yet had any further communication from that Department. There was a disinclination to accept the arrangement under which this Vote could be worked, so that India should have the full advantage of all other Departments, and the India Office was informed that if it did not comply with those conditions they could not have the advantages.

Chairman—continued.

988. Has it not been suggested that the matter might

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Chairman—continued.

might be settled by a standing advance being made by the India Office to a certain amount, an arrangement tantamount to a deposit account being opened by the Ordnance Factories?—That was the idea we put before the India Office; but unfortunately they are not prepared to advance a sufficient amount to cover the orders in hand, and those which would remain unsettled until after six months after the account.

989. It would seem that the opening of a deposit account, with, of course, a deposit of a sufficient amount of money, would be a very business-like way of arranging this difficulty by the India Office?—That is our view.

990. If that were done, I suppose there would be no further difficulty in regarding the Ordnance Factories as agents for the India Office, and allowing the expense incurred up to the 31st of March to be settled for within six months after that date?—Our proposal to them was that they should give us an advance with a view to their being treated in exactly the same way as the Army and Navy. Whether it may not be necessary to get some little modification of the strict rule as regards agent Departments in order carry it out for all the Departments is a question; but that is a point we shall have to consider with the Treasury.

991. Is the only difficulty, in the case of the India Office, one with regard to the amount to be deposited?—Yes.

992. (To Mr. *Ryder.*) I suppose that an arrangement on those lines would satisfy the Treasury?—It would quite satisfy the Treasury.

993. (To Sir *C. L. Ryan.*) Would it satisfy the Audit Office also?—Yes.

OMISSION FROM APPROPRIATION ACCOUNT OF SUMS ACTUALLY RECEIVED.

Chairman.

994. (To Mr. *Knox.*) As regards the sum of 1,100 *l.* 4 *s.* 9 *d.*, which seems to have been omitted from the Appropriations-in-Aid of sums actually received, was that an error in accounting?—I think it would be best so to regard it; it appears that these particular credits have never been taken up by the factories in their balance sheets for some reason, the bottom of which I have not been able to probe. I am quite ready to admit that all such receipts should appear as taken in aid, and be brought into the balance sheet.

995. (To Sir *C. L. Ryan.*) Does that answer satisfy you?—Yes.

Mr. *Arthur O'Connor.*

996. Then is the identity of the amount, namely, 1,100 *l.* 4 *s.* 9 *d.* with the credits to the Appropriations-in-Aid in excess of the amount shown in the balance sheet, a mere co-incidence?—It was excluded because it had not been taken up in the factory balance sheets.

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

PROPOSED ALTERATION OF ACCOUNT.

Chairman.

997. (To Mr. *Ryder.*) Has the Treasury considered how it will be best to deal with the net deficit of 60,547 *l.* 1 *s.* 1 *d.* shown on the Report of the Comptroller and Auditor General on these Accounts?—I believe that the Treasury would be disinclined to ask Parliament to vote the deficiency. I think that the decision would be that the deficiency should be charged against the accounting officer until the money was actually realised, and then his account would be discharged.

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES FOR THE YEAR 1888–89.

Chairman.

998 (To Sir *C. L. Ryan.*) I notice that you state in paragraph 5, that the detailed audit of the Ordnance Factories Accounts is directed to the allocation of labour and materials; would you explain more fully what this implies?—Parliament places at the disposal of the Ordnance Factories large sums for labour and materials that are employed for the general purposes of manufacture. These sums, voted in aggregate, are distributed, when expended, by means of the Factory Accounts over the orders, &c., upon which labour is employed and stores are used; and the total amounts of the different orders are recovered from certain re-paying Departments, chiefly from the Army and Navy. It is necessary, therefore, to know that the respective Departments are correctly charged, and the allocation requires to be carefully watched. Again, it is necessary to keep a check upon allocation, because otherwise there might be laxity in charging individual orders, and this would mean untrustworthy cost results and weakness in the basis for comparison of factory working as against contractors' prices.

999. Have you met with such difficulties, on the whole, as lead you to think that the system at Woolwich with regard to the allocation of labour to orders, &c., requires amendment?—I have; and my difficulties have been brought under the notice of the War Office. They are referred to in paragraphs 9 to 14 of the Report, which you have before you. I am unable to add anything to the comments there made, as no final explanations have yet been received by my Department; nor do I expect anything further at present, as I have been informed that a Departmental Committee has been appointed by the War Office, which will consider the questions I have raised. It will be seen that these are of a very technical character.

1000. Do you think that these questions will be better dealt with when the Departmental Committee has considered them?—I do; there can be no finality in any opinion I may express until the views of the War Office have been before me.

1001. (To

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Chairman—continued.

1001. (To Mr. *Knox.*) I think you have already informed us that such a committee is contemplated; has it actually been appointed?—It has been appointed, and it has commenced its sittings.

1002. (To Sir *C. L. Ryan.*) In paragraph 15 you refer to an apparent indifference on the part of foremen to strictness in the allocation of materials to orders; I presume your officers are on their guard against such irregularities?—The nature of the system is explained in the paragraph. The irregularities are as far as possible guarded against, but it is a very difficult matter. There are, however, some collateral checks to which we have recourse where practicable; such, for instance, as seeing that where there is a charge for material, there is also a charge for labour, and *vice versâ*.

1003. You refer in paragraph 20 to the non-distribution of "Wages" and "Materials" in certain cases in the Indirect Expenditure Account; have you anything to add to your remarks?—Nothing. I am still of opinion that it is necessary for the items named to be subdivided. It will be noticed that they embody more than half the total indirect expenditure of the year, and their non-distribution detracts from the value of the statement.

1004. (To Mr. *Knox.*) Do you think that it would be possible to make a better apportionment on the lines suggested by the Comptroller and Auditor General?—I understand you to refer to the subdivision of this total of 205,000 *l.* taken for indirect wages. I think it will admit of further subdivision, and I am sure that the Secretary of State would be quite willing to consider that point, although I do not think that he is quite prepared to go so far as was suggested by the Comptroller and Auditor General.

1005. You are referring, I presume, with regard to the letter printed on page 176?—Yes.

1006. You admit, as I understand, that it is rather a large sum to treat in this manner for distribution without division under different heads?—I think the subdivision under different heads would convey information which is useful, and would perhaps serve the purpose of better control. There is no necessity for it, but I think that some subdivision would certainly be advisable.

1007. (To Sir *C. L. Ryan.*) In paragraph 21 you call attention to what appears to be a prospective provision for replacement and renewal of machinery through the medium of a "depreciation" charge in the Indirect Expenditure Account; how does this arise?—The factories each year maintain their buildings and machinery in a good and serviceable condition, and the cost of such maintenance is recovered by distribution of the expenditure incurred over the articles manufactured for repaying departments. In addition, they made a per-centage charge *en bloc* (at the foot of the Indirect Expenditure Statement, which you will find on page 8), which also is recovered in the same way from the repaying departments. This latter sum appears to cover a provision for future replacements, as buildings and machinery wear out; and I consider that so much of it as, on analysis of the accounts, is proved to be a prospective charge, should be specifically shown somewhere in the accounts, perhaps most conveniently on the face of the Ordnance Factories Appropriation Account (where receipts from repaying departments are stated) as a subdivision of the surplus to be surrendered. There is, of course, the further point of whether it is to be dealt with by a reserve account or by means of a surrender to the Exchequer.

1008. (To Mr. *Knox.*) Have these points, and the suggestion of a reserve fund, been considered at the War Office?—They have not been fully considered; I think no decision has been come to upon them; but of course the idea has suggested itself. For the couple of years that this account has been in existence, the charge for depreciation has been used, one may say, as a reserve fund to meet the capital expenditure which has been proposed during these particular years, and it has nearly provided for such expenditure as was referred to at the last sitting of the Committee. £.38,000 was taken in excess of the sum provided for depreciation in the first year, and 15,000 *l.* in another year, and 12,000 *l.* in another, the total charge for depreciation reaching something over 90,000 *l.* So it has, therefore, been used for these particular years to meet the expenditure which would have been defrayed from a reserve fund.

1009. But should not some of it be set aside for the prospective purposes for which it is actually charged to the customers of the Ordnance Factories?—I think not. It may be that in future years, this charge for depreciation being continued, we should have a surplus to surrender on the account in consequence, and then the Comptroller and Auditor General's question would arise as to whether it should be surrendered or go to form a reserve fund to meet such capital expenditure as this in future.

1010. Is it not a little misleading to charge to the customers money for future replacements and for prospective purposes, when the money is actually needed, and is used for immediate purposes?—I think not. That depreciation, in fact, is introduced into the account with a view to bringing the capital expenditure which is incurred as a charge against the customers. In no other way would it be possible to bring the charge against them, and make it an ingredient in the cost of the article. This is the most convenient method that has been devised for that purpose.

1011. (To Mr. *Ryder.*) What view would the Treasury take on this point?—I cannot commit the Treasury to any very definite opinion upon the point, but I think the Treasury would think it of importance to separate capital expenditure in the account from other expenditure, so that

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Chairman—continued.

the receipts that were in respect of capital expenditure might be readily identified, and the sums spent for capital purposes might also be seen.

1012. But where a sum of money debited for depreciation of buildings and machinery included provision for prospective replacement and renewal, ought not that latter portion of it to be set aside either in a reserve fund, or in some other form for future use?—I am not sure that the Treasury would hold that it might not be spent in the year of the account upon proper capital expenditure. The effect of putting it aside to a reserve fund would be that Parliament would have to be asked for a larger sum as a Vote; and I rather think that the view taken by the Treasury as yet has been that Parliament should only be asked for expenses which the current income of the year will not cover.

1013. (To Sir *C. L. Ryan.*) Have you anything further to add upon that point?—I should like to explain that on the face of the account as I have made it, owing to the sums due from India not having been received within the period of account, it is a deficit; but the account as shown by the War Office has a surplus, and that 9,205 *l.* is shown as a saving in estimated increase of capital. Therefore, there actually was a sum of 9,000 *l.* which was not required for the purpose of increasing the capital within the year.

1014. And in any proper system of account that would necessarily be so, would it not. In the manufacturing establishments it would be necessary to charge to the customers more than the actual expense of the year, in order that there might be a fund out of which to replace machinery and buildings in the future?—It must necessarily be so, because, as I understand, the charge made for depreciation is to replace machines which have only a certain number of years to run; and if you do not make a charge for that purpose year by year you would find yourselves at the end of a certain period with your machines run out, and with no funds to replace them; or you would be obliged in the last year to charge your customers an abnormally large sum for the same articles.

1015. The whole subject, however, is one for further consideration, is it not?—Clearly, it is one that is not yet ripe for decision.

1016. You state in paragraph 24 that in the "Production Statement" Parliament may in certain circumstances hope to find a standard by which to compare the cost of an article made in a factory with the trade price of a similar article; have you any means of establishing such a comparison?—I have not, and it would be very difficult for my Department to compare like with like, as there are so many details to be considered in selecting absolutely similar articles. If, however, the War Office produced comparative statements, it would be practicable for my officers to check their accuracy.

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Chairman—continued.

1017. You call attention in paragraph 25 to certain transfers at the Royal Gun Factory, and you state that irregularity or inaccuracy in transfers would seriously increase or decrease the amounts stated as cost results; do you anticipate any difficulty in placing this matter on a satisfactory footing?—I do not think that there ought to be any difficulty. That the matter is of importance is shown by my letters given in the Appendix. It seems to me that transfers should be regularised without delay, as the next year, 1889–90, is now approaching its close, when the same unsatisfactory state of affairs may again occur.

1018. Has anything been done with regard to the rates and stationery referred to in paragraph 33?—Yes; these charges are now provided for under Sub-head F. of the Ordnance Factories Vote, 1890–91.

1019. Has any decision been arrived at as to the desirability of raising a charge against the Factories Vote, on account of the supervision and control exercised at the War Office itself over the factories?—Not that I am aware of. The question is still before the Treasury. I may remark that the principle appears to have been conceded elsewhere, as will be seen by reference to the Navy Estimates, Vote 13 (1889–90, page 135), where a sum of 4,000 *l.* is estimated as receivable from Army Vote 9, for work done at the Admiralty in connection with Army Transport.

1020. Is there anything you desire to add to your closing remarks in paragraph 43?—I think the observations made in the concluding paragraph are fair comment under the information before me. Of course, explanations may modify my views, but this year I have been under a disadvantage in this respect. I might perhaps explain that there seem to me good reasons why greater caution is required in accepting the allocation of foremen in the Ordnance Factories than would be required in outside establishments. In Government factories the cost of producing articles, as shown, by the books, is repaid by the Departments that purchase, whatever it may be; and as only a small proportion of the productions is comparable with outside prices, it would be possible for foremen, who are interested in economical results of working where comparison is possible, to allocate labour in such a manner as to unduly relieve the articles that might be brought into comparison, if it were feared that the cost would be too high, either from the employment of too much labour upon them in the case of daywork, or from too high prices being paid, in the case of piecework. In the case of trading concerns this would not hold good, because the price to be paid by the purchaser is fixed in advance, and both allocation and piecework prices would be recorded against orders that eventually must work out to show a profit or loss. Every article being, as it were, in competition with a previously fixed contract price, there would not be the same scope for foremen to manipulate

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Chairman—continued.

manipulate cost records. My attention is naturally drawn to this question of independent check on allocation, because in the Expense and Manufacturing Accounts of the Navy I am accustomed to find the greatest care taken in ensuring independent record of allocation of labour. The previously existing system of leaving allocation to the professional officers was found to lead to irregularities of charge in the Shipbuilding Accounts, and was abolished, a body of independent recorders of work being established for the purpose of obtaining greater accuracy of record. In such accounts as those of the Ordnance Factories the practical correctness of the cost results presented to Parliament each year is of the highest importance, and I think this is well brought out by Mr. Woodall in a preface to a question to one of the witnesses before Lord Morley's Committee, where he states, "We have repeatedly had before us comparative statements showing that the cost of certain articles produced in the Government Factories is much less than the contract price of the same articles, and naturally, where those figures are quoted, we must be prepared for a certain amount of scepticism, and that people suppose that something has been overlooked in order to make a favourable return for the Government Factory. Any system of accounts must, therefore, be sufficiently trustworthy, and sufficiently balanced and checked to show that the return is infallible."

1021. (To Mr. *Knox.*) Pending the sitting of the departmental committee, is there anything that you would desire to say on any of the points on which I have examined the Comptroller and Auditor General?—I think I have not much to say. These Factories, of course, have been in existence for a long time, and have grown up independently. They were all under different superintendents until the recent arrangement under which the Director General was appointed to take charge of them all, and no doubt in the different Factories differences as to minute details have grown up, such differences perhaps as may be thought open to objection; but in some cases the differences were such as from the very nature of the service were necessary. The committee that has been appointed will take into consideration these smaller points, none of which seem to be of much importance, and it will endeavour, I think (at least, that is its object), to regulate such inconsistencies as may appear to exist; I think, however, I ought to draw attention to the fact that these Factories, before they were put under the Director General, underwent, only a very short time since, a very complete inquiry before a committee over which Lord Morley presided. Lord Morley had the assistance of many very experienced Members of the House of Commons, as well as other gentlemen, Mr. Joseph C. Bolton, M.P., Mr. H. Carbutt, M.P., the Honourable Guy C. Dawnay, Colonel F. Duncan, M.P., Major General W. H. Goodenough, Mr. Alfred Hickman, M.P., Mr. W. L. Jackson, M.P., Colonel J. P. Nolan, M.P., Mr. Richard Peacock, M.P., Mr William Woodall, M.P., Mr. Joseph Ruston, and Mr. John Burnett. Their inquiry was most exhaustive, and I fancy that most of the queries that have been made by the Comptroller and Auditor General have been suggested by the questions and answers given in this report. They went most elaborately into the whole system adopted at Woolwich: they not only examined witnesses, but they went down personally to the factories, and went through the offices, examined the accounts and made themselves masters of every detail. I should like, therefore, to read one short passage from the report of that committee as regards the allocation and distribution of wages: "Great care seems to have been taken in regulating the payment of wages by day and piece-work. The time and work of the men appear to be carefully taken, and checked in such a manner that the amount of direct labour expended in the execution of any given order is accurately ascertained and recorded in the manner described in Part I. The methods employed for this purpose appear to us to be somewhat more complicated than those employed in private establishments, and consequently they involve more clerical work and a larger staff of supervisors. They, moreover, occupy an undue proportion of the time of the foreman. The returns and analyses, however, which are prepared for Parliament are far more minute and detailed than those of a private establishment. In our judgment these minute dissections might be simplified with advantage and economy without materially limiting the information necessary for enabling Parliament to exercise its proper functions of criticism and control." With that report before him the Secretary of State is certainly disinclined to incur any further expense in watching the details of such expenditure. If by an alteration of the system within the expenditure which is now incurred any improvement could be brought about I have no doubt he would be willing to assent to it; but most of the suggestions that have been made by the Comptroller and Auditor General are suggestions that would lead to additional expense, and that he certainly would be averse to incur for the mere purposes of clearing away little difficulties which in the opinion of person of experience are of no importance.

1022. (To Mr. *Ryder.*) Pending the report of the departmental committee, has the Treasury anything to say upon this Report of the Comptroller and Auditor General?—I have not been authorised to say anything about it.

Mr. *Arthur O'Connor.*

1023. (To Sir *C. L. Ryan.*) In the first paragraph of your Report you refer to the Army and Navy Audit Act of 1889; I have looked at that Act, and I see that Section 1 says, "There shall be

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

be prepared in the course of the financial year in such form as the Treasury from time to time direct or approve, accounts showing" this, that, and the other. Turning to page 155 of the Annual Accounts of the Ordnance Factories I see that Mr. Hurst, the local Accountant and Auditor, makes a report in which he says, "In accordance with instructions I submitted forms of balance sheet, capital account, and supporting statements in order to meet the necessary requirements. These were approved by the Secretary of State." The Act of Parliament seems to require that Treasury sanction should be obtained for the accounts. Were those different forms of account submitted for the approval of the Treasury?—That is a question which, I think, you must ask the War Office.

1024. (To Mr. *Knox.*) Can you answer that question?—They were not then submitted.

1025. Why was not the Act carried out?—I am afraid that it was an omission. I suppose we ought formally to have submitted it; but I think we did not.

1026. (To Mr. *Ryder.*) Are the Treasury satisfied with this form of accounting?—I do not think that I can commit the Treasury to saying that they are satisfied.

1027. (To Sir *C. L. Ryan.*) In the same section of the Act of 1889 I see that the Act of Parliament directs that you shall examine the Account showing "the cost of labour employed and the value of stores expended in the several Ordnance Factories," and report upon the result of that examination; what amount of examination do you give to these Accounts?—The amount of examination which has been given them this year has been limited by the time at my disposal. The Act was not passed till the close of the Session, and the time at which I had to report upon these Accounts there really was not time to make any very substantial test this year, as compared with what I hope will be done in another year.

1028. Then I will not ask you anything further about it, except with regard to one particular point; so far as I can make out, after reading Mr. Hurst's report very carefully, it appears to me that the cost ledgers are a very important link in the chain of the financial check; what amount of examination has this year been given to the cost ledgers?—In the cost ledger every item has been checked from the abstracts, but of course we have not been able to do anything like examining every item into the abstracts, which would mean examining every day's labour of every man upon each work.

1029. Then you took the figures as they are rendered, and, as I understand, the check merely extends to the clerical labour of transferring one figure from one paper to the other?—No; it is more than that.

1030. Will you explain in what respect it is more than that?—I might, perhaps, just read the representation which was made to me at the time: "The detailed examination of the Factory cost amounts to one week of labour and one month of material for the Royal Laboratory, Carriage Depôt, and the Gun Factory; and that of the Factory Stores to one quarter's receipts and three separate months' issues." That was the amount of test that we were able in the past few months; it was only a question of three or four months.

1031. (To Mr. *Knox.*) Under the system that prevailed up to the 31st of March 1888, I gather that the charge by the War Office against the Navy was based on expenditure only?—It is only recently, since the adoption of this system, that any charges have been made against the Navy at all, except for certain carriages. The charge for those certain carriages was made on the report of the Ordnance Factory that so much money had been expended, including all the ingredients; that is to say, the direct wages and materials, and the indirect expenditure, but more or less upon estimate.

1032. The present system at any rate results in charging the Navy with an amount on account of depreciation of building and machinery?—Yes, and the Army and the India Office; it applies to all our customers.

1033. But from those charges the Navy were previously exempt?—Yes, the Navy were not charged; the depreciation was included in Balance Sheet No. 2 only.

1034. Has the Navy assented to that increase of charge?—This system was established with a view to charging all the Departments on exactly the same basis, and depreciation necessarily entered into the charge.

1035. I gather from Mr. Hurst's report that the practice hitherto has been to charge India and the colonies both with depreciation and with interest?—Yes.

1036. So that the present system results in relieving India and the colonies, and in increasing the charges upon the Navy?—Yes, that is the effect; but until very recently the Navy was not charged at all. There has been an adjustment, however, of some other items; the Navy has had the advantage of that change which was alluded to at the last sitting; I mean the alterations as regards superannuation; that is not an ingredient in the charge.

1037. We are told, are we not, that these Factories are to be conducted on commercial principles as far as possible?—I think that is a cant term which has been very much abused; a sense has been attached to it which is absurd. The only meaning that can be attached to it is, that everybody who deals with these Factories shall pay for their supplies at the price shown in these balance sheets; that is the cost price. Now, I suppose, nothing could be further from "commercial principles" than charging people cost price.

1038. That is exactly what I wanted to bring out; in reality, it is a mere misuse of language to talk about these Factories as being conducted on commercial principles, or of these accounts as being drawn up on commercial principles?—The accounts

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

accounts are really more elaborate than commercial accounts would be.

1039. But they exclude, do they not, certain items which would be included in a commercial account; for instance, the rental value of the land upon which the Factories stand, and also insurance, and all those things would be entered in a commercial account; they might be entered as a charge upon the profit and loss account or upon a reserve fund; they would, at any rate, appear in a commercial account somewhere or other, would they not?—No doubt.

1040. Then, again, I see that before Lord Randolph Churchill's Committee, Mr. Hurst, who was examined, and complimented for his examination, intimated that in his opinion the rates of depreciation for buildings and machinery were excessive; I should like to ask if Mr. Hurst is still of that opinion?—In his own report on these Accounts, to which you have already referred, he states that he is.

1041. If these Factories and machinery are kept in perfect order, does not the expense come out of the revenue of the Factories?—Yes; the whole of the charges for maintenance are charged against the production account, and of course the prices we get pay for the maintenance of all the machinery and buildings in that way.

1042. But do you not get the means of keeping these Factories in order out of the Ordnance Factories Vote?—No; we show in the Ordnance Factories Vote what we propose to spend upon maintenance; but that is made a charge against the production account.

1043. But you treat the balance which is referred to in the Treasury letter, I see, as if it were capital account?—Yes; but that is to cover new works and new machinery.

1044. No part of the maintenance is drawn out of that?—None.

1045. Last Wednesday reference was made to some omission (which I could not quite understand) of the powder from these Accounts. There is a reference to the matter in Mr. Hurst's report, I understand?—That remark applies to a system which it was supposed we should be able to work fairly satisfactorily, but we find that it has broken down. The system was that the powder was issued without charge to the Factories, and was supposed to be kept as a matter of store account between the issuing Department (the Store Department) and the Factories; therefore, the cost of the powder, which was to be worked up into cartridges, and so on, did not become a charge against the Factories' Account. That system has been found to work unsatisfactorily, and the Factories in future are to be charged with the value, and they are to charge it back again.

1046. There is no means, as I understand, of ascertaining what is the cost of the cartridges and shells from this Account?—Not completely.

1047. I see it is said in Mr. Hurst's report: "At the suggestion of the late Director General of Ordnance Factories, the cost of gunpowder and guncotton used in filling shells, cartridges, &c., has been eliminated from that portion of the accounts relating to the Royal Laboratory; but this mode of treatment having been found objectionable, the former practice, of including the cost of those items, will be reverted to from the 1st April 1890." It was done at the suggestion of the late Director General of Ordnance Factories, and has been discontinued, as I understand?—Yes.

1048. Who is the present Director General?—Mr. Anderson.

1049. What is his salary?—£. 2,500 a year, I think.

1050. What was his former occupation?—He was a manufacturer and civil engineer.

1051. What is the amount involved in connection with the powder for filling of these shells and cartridges?—I cannot say.

1052. I asked the question, because it struck me that, perhaps, this break in the system would really prevent anything like a practical comparison of successive years' accounts; if the accounts include different items you cannot compare one year with another?—Of course any change of this kind always destroys an exact comparison with previous years; but I think that a very fair comparison by estimate can be made.

1053. Can you account for the increase of something like 125,000 *l.* for works in a semi-manufactured condition as compared with previous years; I was not able to follow your explanation on the last occasion?—It is due to much greater activity on the part of the Departments. About this time we were developing these Factories to meet the very large orders for the Army and Navy Estimates chargeable against both Estimates and loans; and the result naturally is that there is a larger amount on hand at the end of the year than they had at the beginning.

1054. That would apply to the increase of 50,000 *l.* or thereabouts in the stores in stock, which is the other item on page 5?—That we hold has remained practically the same; but there were some articles transferred from the semi-manufactures to stock; as I explained at the last sitting of the Committee, there was half-wrought timber, and some other items of stock so transferred. If they had remained in semi-manufacture, the balance of semi-manufacture would of course have been in excess of what it is here stated to be.

1055. Are the arrangements such, or is the management of the Ordnance Factories such, that from year to year you look forward to an increase in these semi-manufactures, and also in the stores in stock?—Certainly not. When the large orders which we are now carrying out under special accounts for both the Army and Navy cease, they must fall. It arises from the inflation of these establishments to meet these very large orders.

1056. Does it represent actualities, or is it a mere

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ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

mere balance account?—It represents actualities. They will be taken up in the following year's account and will form, in the vast majority of cases, a portion of the charge which will be shown as that for complete articles in the production account.

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

Mr. W. Anderson, D.C.L., M. Inst.C.E., called in; and Examined.

Mr. *Arthur O'Connor.*

1057. With regard to the question of stock-taking which was referred to at the last sitting of the Committee, I wish to ask what amount of stock-taking have you caused to be undertaken in order to check this amount of 388,000 *l.* and odd on page 5 of the Annual Accounts, and the further sum of 682,000 *l.* and odd on the same page, with the actual stores in hand?—That would be a matter to be dealt with last year. I was not in office then, and I do not know what steps were taken to check those stores.

1058. What system of stock-taking obtains now?—I do not think it is as complete as it should be; but it is a very large question; the expense of taking stock is enormous.

1059. Have you reason to suppose that there has ever existed at Woolwich any system of stock-taking which, with your commercial experience, you would regard as satisfactory?—No I should not think so.

1060. Do you think that the book balances now shown on the Woolwich books are at all trustworthy in relation to the actual stocks on hand?—I think they are fairly trustworthy; but it is merely from judging the quantity of material that is in stock, without actually weighing and measuring it.

1061. Could you give the Committee, even approximately, an estimate of the value of stores, in whatever state of development or completion, on charge at Woolwich now, old and new?—I could not answer that question satisfactorily without reference to books.

1062. Would it run into millions?—No, I do not think so. The actual stock of materials which we propose to keep is about 300,000 *l.*; we aim at keeping the stock at about that figure.

1063. That is what you propose to keep?—Yes.

1064. As a matter of fact you have about 100,000 *l.* worth more than that now, have you not?—It is possible we have; prices have gone up very much.

1065. You have not actually checked it, I understand?—No.

1066. So that you have nothing as to which you could declare that the book balances are verified by actual stock-taking?—No. The balances are verified as well as they can be by our auditors from time to time, but there is no complete stock-taking of the whole establishment, as there would be supposing it were a private concern.

1067. Then there is not, as I understand, at any rate at present, under you, any complete system of stock-taking?—No, I do not think there is.

Mr. *Arthur O'Connor*—continued.

1068. Can you tell me whether Mr. Hurst, who represents the War Office, has on the part of the War Office made any complete system of stock-taking?—I believe that he has made trial stock-takings.

1069. You mean, I presume, what is called taking a test?—Yes.

1070. That is, with regard to a limited number of articles?—Yes.

1071. Has the Comptroller and Auditor General made any effective attempt at stock-taking in a large way?—That I cannot say; I am not aware that he has. (Sir *C. L. Ryan*). It is not his duty.

1072. (To Mr. *Anderson.*) I understand it is not the duty of the Comptroller and Auditor General to take such stock-taking; the War Office does not take it, and as yet you yourself have not taken it?—I have not.

1073. Large companies, or large private concerns, do take stock at any rate to a large extent every year, do they not?—Every two years I should think. The firm that I was engaged in for a long time did not take it every year on account of the great expense, and of the disarrangement of work which it entailed.

1074. There was an effective check upon the book balances by that means?—Yes.

1075. Seeing that this is the beginning of a new system, do not you think it would be worth while to start clear, and to take a remain stock-taking in order that your own position might be simplified?—I should like to do it very much; but it is a formidable task.

1076. What would it cost?—It is more the time that is involved than the actual money. It would involve shutting up all the factories for at least a week.

1077. Could not you do the stock-taking in one part one week and in another part another week?—The factories are so interlaced that it would be difficult to do that. We could do that at the outlying factories, Waltham and Sparkbrook; but then the stock-taking would not be up to the exact date.

1078. With regard to the pay of the employés in the factories, I do not see that there is any detailed statement showing the number of men and the rates of pay, and the distribution of wages in the different branches in the Estimate, and it is not shown in the Appropriation Account. Who is it that fixes the rates of pay at Woolwich?—The superintedents fix the rates of pay as regards the workpeople.

1079. The

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Army (Ordnance Factories) Account, &c.—*continued.*

Army (Ordnance Factories) Account, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

1079. The War Office has nothing to do with it, I understand?—Not with the workpeople.

1080. Does that represent the great bulk of the wages item?—Yes, by far the larger bulk.

1081. Is it in the superintendent's absolute discretion to distribute this item, which is a very large item, as he pleases and to whom he pleases?—Yes.

1082. And there is no check upon the amount of pay per week or per day which he may give to any individual?—The only check is, that if his produce becomes dear, inquiry is made as to the cause.

1083. But the War Office exercise no control, as I understand?—No.

1084. So that he might pay a man five times as much as he is worth?—He might.

1085. So long as he does not exceed the total amount he is allowed for wages, he can distribute the money just as he pleases?—Exactly. He may have, for instance, exceptionally skilled men, we will say, for rifling guns, or something of that kind, who would be worth a very great deal of money. Some of the forgers, for instance, are very highly-paid men.

1086. (To Sir *C. L. Ryan.*) Have you any means of checking the sale of these semi-manufactures; have you any officers under you who are at all qualified to look at a semi-manufactured article and price it?—No, certainly not.

1087. (To Mr. *Knox.*) I should like to ask if there is anybody who represents the War Office who is qualified in a technical way to look to the semi-manufactured articles and price them?—These semi-manufactured articles represent what is shown in the books, and can be proved from the books to have been charged for direct wages and materials against those particular orders, all of which can be identified, together with their share of indirect expenditure apportioned according to the general principle upon which the charge is made.

1088. It is purely a book calculation, is it not?—No, it is taken from the actual account and the actual charges.

1089. But the accounts are book matters?—Yes, but they are accounts of the actual payments made to men for wages and the value of the materials, according to the price at which they stand recorded in the stock books.

1090. If you send down a man to Woolwich to look at these semi-manufactures, is he so qualified that by looking at them he can recognise whether the articles produced are really articles in the particular state described in the paper of accounts that are before him, which he is supposed to check?—They can be identified by the work marks.

1091. Could they be identified by him as being in that state?—I should not be able to judge of them myself.

1092. Have you any reason to suppose that you can send down from the War Office to Woolwich any single man who is qualified to take these semi-manufactures in hand, and say he is able to check them with the book balances?—I do not know that I quite understand the point of your question.

1093. Semi-manufacture is a very indefinite term; the articles are in many different stages of manufacture, and many different kinds, and there are a number of charges made in certain books in respect of them; how is it possible for any War Office man to go and check the particular things that are on hand with the particular figures in certain books?—I suppose there would be some difficulty, no doubt; but it can be shown that upon those articles, as they stand, that amount of expenditure has been incurred.

1094. No doubt; but that is a matter of book account, is it not?—Yes.

1095. (To Sir *C. L. Ryan.*) I see you say in paragraph 39 on page 169 of your Report that you are unable to accept the stated value of stores in stock as satisfactory; what is the money value of the discrepancies which led you to make that statement?—I am afraid that I cannot give that information off-hand.

1096. (To Mr. *Knox.*) Do you find that the detailed examination now conducted by the Comptroller and Auditor General increases the work of your Department?—Very much; because he draws attention to points which require a great deal of looking into; points which were never raised before, and which, if I may be allowed to make the remark, I do not think are worth raising.

1097. Is the ground which he traverses ground which has been already gone over by War Office officials?—No. From the very commencement a detailed examination was made; or at least, I should say, at the starting of these factories all these points were gone into, and considered mainly by our Auditor, Mr. Hurst, who has been connected with these factories ever since these accounts were instituted. Most of these questions were raised by him and considered by the authorities at the War Office; and it was decided that they were not of that importance that some divergence of practice could not be permitted, and also that they did not involve such points as in the slightest degree vitiated the account. In that view I think I may say we have been confirmed by the Committee which recently reported upon these Factories, and their balance sheets. I have no doubt that new people going down may suggest alterations; new minds always will suggest alterations and changes; but whether those changes are worth carrying out, and worth the money that would have to be expended upon them, of course is open to some doubt.

1098. Was there any charge for inspection included in the cost of production for 1887–88?—In former times, before the separation of the Inspection Department and its separate establishment as it now exists, a good deal of what we now call inspection work was regarded as part of the work of manufacture; in fact, the manufacturer inspected his own work in progress.

1099. But it was not described as inspection?—It was not described as inspection.

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26 *March* 1890.] Sir C. L. RYAN, K.C.B., Mr. HAMILTON, C.B., Mr. RYDER, C.B., Mr. KNOX, C.B., and Mr. ANDERSON, D.C.L., M.Inst.C.E. [*Continued.*

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

1100. Is there not a very heavy charge now for inspection?—There is.

1101. Are there not a great number of inspectors of different grades?—Yes. They have taken over some work that used to be formerly regarded as an ingredient in the manufacture. These various departments used to inspect the progress of their work from time, as I have said, with a view to testing it. It has, however, been thought necessary, in order to secure first-class work in every respect, that tests should be applied by outside officers; accordingly, an outside staff, a separate staff, has now been established for the purpose; and the cost of manufacture has been somewhat relieved of that portion of charge which would formerly have represented inspection.

1102. I observe that the total for "Pay of Establishment, &c., for Inspection and Proof of Stores" is about 70,000 *l.* a year?—Yes, it is very heavy.

1103. That is a comparatively new charge, is it not; in great part, at all events?—Not in great part; in part it is, certainly. That, however, includes the cost of the establishment which inspects the whole of the arms that are in charge of the troops, which is practically a new service.

1104. What would you say would be the comparative cost of the Inspection Department of all ranks now employed compared with what it was before 1887-8?—I cannot state it accurately at the moment, but I think I could give the information to the Committee. I think it is something like from 15,000 *l.* to 20,000 *l.*

1105. Do you not think it is more than that?—I think not.

1106. (To Sir *C. L. Ryan.*) What is the cost of the entire staff which your Department employs for testing these manufacturing accounts?—The staff engaged during the year 1888–9 consisted of one directing officer and five examiners, at a cost of about 1,400 *l.* all told.

Sir *Walter Barttelot.*

1107. With regard to the indirect expenditure, which seems to be very large, amounting to over-half-a-million of money (the total shown on page 9 is 572,308 *l.* 1 *s.* 4½ *d.*) I should like to ask whether you are satisfied that the way in which this expenditure is carried down on the paper answers all that you wish to have?—Of course the answers that I have already given with regard to paragraph 20 of the Report before the Committee shows that I am not thoroughly satisfied with its distribution. I think it ought to be given in greater detail. It admits of a greater distribution than has already been made.

1108. Let me take one item on page 9, as an illustration: the total, "For Indirect Expenditure taken up in finished work," "Royal Laboratory," and so on, amounts to 426,260 *l.* 5 *s.* 4 *d.*; could not that have been distributed earlier than it is after all the work is completed?—I think that Mr. Knox must answer that question. (Mr. *Knox.*) I am afraid that I do not quite understand the point of the question. The total indirect expenditure can only be ascertained when the account is closed, and then the whole of it is taken up and distributed over the work which has been executed during the year; it cannot be distributed until the account is closed.

1109. Then I observe that you make various percentages on direct labour; is that, according to the work that is done?—It is according to the work that is done. The principle of distributing the indirect expenditure adopted in our factories is that it is distributed *pro ratâ* over the charge for direct wages against each article of production.

1110. Notwithstanding that you have much more costly labour with regard to one article than you have with regard to another?—Yes, it follows the direct charge for labour; that is the principle of distribution.

1111. So that, if you have merely ordinary workmen, they are charged precisely in the same way, though they may be working upon a particular article, as very skilled artizans working upon another article, as I understand?—Yes, there is no alteration. There is a special percentage with regard to manufactures in the Gun Factory, but I do not know that that affects this point. The indirect expenditure is distributed over the direct charge for wages shown against each article. That is the system adopted by a large number of manufacturers in ascertaining the cost of their manufactures.

1112. (To Mr. *Anderson.*) Is that the way you did it in former days?—We took the entire cost of wages and materials, and charged a percentage upon that.

1113. Taking, for example, such an article as big guns, how did you reckon it?—When I was working as a contractor myself, the indirect expenditure was charged upon the cost of the article produced, which included the materials and labour; and inasmuch as we could not wait till the end of a year, in a private firm (having to keep the account as we go along) the indirect expenditure was an estimated amount. In these Accounts it is a positive fact, settled after the account is closed.

1114. You are satisfied, as I gather, that the way in which it is put here is the best way in which you can give the information to the Comptroller and Auditor General?—This is the most accurate arrangement.

Chairman.

1115. You could not do anything else within the financial year; is that so?—You could not calculate the cost of the article in the financial year, unles you made an estimate.

1116. You would have in that case to introduce an estimate, whereas by charging the percentage upon labour you obtain the absolute amount to charge within the financial year, not based

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26 *March* 1890.] Sir C. L. RYAN, K.C.B., Mr. HAMILTON, C.B., Mr. RYDER, C.B., Mr. KNOX, C.B., and Mr. ANDERSON, D.C.L., M. Inst.C.E. [*Continued.*

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Chairman—continued.

based upon estimate?—Yes. That is a very difficult charge to arrive at, especially in a factory where there is an enormous difference in the class of work, so that in some cases the labour is large, while in others the material is large and the labour very little.

Sir *Richard Temple.*

1117. I understood you to say that you had got no real stock-taking; if that is so, do you not think you need to have something of that sort?—I should like to have it, but it is a very formidable undertaking. It would involve the stoppage of the factories for certainly a week at least, and the employment of many thousands of men to measure up, count, and weigh up everything.

1118. Without such a stock-taking, how do you expect to carry out the provisions of the Audit Act of last year, which says that their shall be accounts showing "the cost of labour employed and the value of stores expended in the several Ordnance Factories and Manufacturing Establishments of the Army;" can that be done without stock-taking?—The only way of doing it is by taking a test of part of the stock every now and then.

1119. Would it not be worth while doing that once in a way?—I am afraid that it would be an extremely difficult thing to do. Our wages amount to about 25,000 *l.* a week. To stop that large amount of wages for a week would be a formidable business, and we should have to spend about half that in absolute labour in weighing everything; we should have to have an enormous number of weighing machines and other appliances for doing it.

1120. Did not I understand you to say that that was done now in private manufacturing establishments?—Yes, they have to do it; they do it every two years usually.

1121. Does not that involve cost to them?—Yes; it is a very great expense indeed.

1122. If it is worth while for private establishments to do that, is it not worth while for Government?—It is a question of profit in a manufacturing establishment, as Mr. Knox suggests; it is a question of loss with us. It would be all loss, I am afraid.

1123. (To Sir *C. L. Ryan.*) I understood Mr. Knox to say that certain questions raised by you were regarded by the Secretary of State as unimportant, and that it was not worth while to spend any money to meet them; do you agree in that opinion?—No, I am afraid that I do not. No thorough examination of the primary records of the Factory Accounts, upon which so much depends, was ever applied until my Department undertook their audit.

1124. You do think they are worth spending money upon?—I do. I think it is very important for Parliament and the country to know what is the real cost of the articles which are being manufactured at these large Government manufactories; and I maintain that you cannot get at the cost without a clear system of check upon

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Sir *Richard Temple*—continued.

labour. The Admiralty have found it absolutely necessary, when coming to Parliament for their Bill for Naval Defence, to prescribe that it shall ascertain, by the actual Expense Accounts of the Navy, every pound that is spent in labour and materials upon every ship that is built. Without that they felt certain that they could not justify the demands they had made to Parliament. I hold exactly the same opinion with regard to the Factories; I think in their case also it is of great importance that the country should know what a rifle does cost; and you cannot get at that without an accurate system of recording the labour. There is no accurate system in existence; there is a system, but it is very imperfect.

1125. If the Admiralty have arranged to do that, you see no reason why the War Office should not?—I cannot see why the War Office should be less strict in its system of accounts than the Admiralty.

1126. You think what is sauce for the one is sauce for the other?—Certainly.

Mr. *Barran.*

1127. Is it not possible to ascertain the net cost of all the productions without stock-taking?—The question of stock-taking does not affect the necessary cost of an article. The cost of an article is arrived at by taking the amount of labour spent upon it and the value of the materials employed upon it; and the stock-taking has not really anything to do with that particular cost; that is to say, you can arrive at the cost of a gun without reference to the value of the stock which was in hand in the factories generally. Stock-taking stands by itself as a separate thing. important no doubt, but not affecting the cost of a particular article.

1128. Would you say that the only satisfactory stock taking is to prove whether the calculations made in the Department are strictly accurate?—It is to prove whether you have that stock or not.

Mr. *Arthur O'Connor.*

1129. Do you consider that the test, however or by whomsoever applied, which now exists, is sufficient to enable the Secretary of State to certify to Parliament that there was on the 31st March 388,000 *l.* worth of stores in stock standing to credit at the Ordnance Factory?—I should be sorry to commit myself to saying that it is so.

1130. (To Mr. *Anderson.*) Do you think that there is any test that would justify the Secretary of State in certifying that they had at the Ordnance Factories this amount of stock in hand at the end of the financial year?—I should think that with the test stock taking that goes on continually there, he would be right within about 15 per cent.

1131. It is only fair to you to say, that in your absence at one of the former sittings of the Committee, there was a question raised with regard to the sum of 14,000 *l.* with which the Ordnance Factories were credited on account of certain

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26 *March* 1890.] Sir C. L. RYAN, K.C.B., Mr. HAMILTON, C.B., Mr. RYDER, C.B., Mr. KNOX, C.B., and Mr. ANDERSON, D.C.L., M. Inst.C.E. [*Continued.*

ARMY (ORDNANCE FACTORIES) ACCOUNT, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

stores handed over for sale or other disposal; it appears that those stores realised not 14,000 *l.* but only 5,000 *l.* That is so great a disparity that one is tempted to suspect that possibly this 388,000 *l.* will admit of very considerable reduction before you arrive at the real value of what is the stock on hand; can you throw any light upon that point?—In the particular case you mention it was described as a sale of refuse; but in reality it was not all refuse. Then, again, we do not know whether we will not get something more from the sale; we do not know that the whole refuse was sold.

Chairman.

1132. The answer given on the last occasion distinctly was that they expected to realise more; the whole amount to be realised was not necessarily 5,673 *l*, but the War Office did expect to realise more by the sale?—Quite so.

Mr. *Arthur O'Connor.*

1133. We have no evidence to show that there was the least prospect of realising anything like 14,000 *l.*?—I dare say not; because it included a great deal of what I may call abortive manufactures, which were stopped for some reason and handed back to the Commissary General at what they cost.

1134. The point I am putting to you is that 14,000 *l.* is put down to the credit of the Ordnance Factories, whereas experience shows that a smaller sum ought really to have been credited?—I think it ought not to have been a smaller sum. The Factory has spent that money upon it.

1135. At all events, it did not prove that the things were worth that 14,000?—It was worth that to the Factory, but not the Commissary General.

1136. Then this 388,000 *l.* may be worth, for the purposes of account to the Ordnance Factories, the sum put down, but it may not be worth that amount to the Secretary of State for War or the Commissary General?—If he had to sell our stock by auction it might certainly not be worth what it is called in our books; it might be worth more and it might be worth less.

IMPERIAL DEFENCE ACT, 1888 (MILITARY SECTION) PORTS AND COALING STATIONS.

Chairman.

1137. (To Sir *C. L. Ryan*) I observe that you report that the balance sheet of the Ordnance Factories does not discriminate between Army productions for Vote 12, and the Imperial Defence Loan respectively?—That is so.

1138. Under those circumstances, after some examination, I understand you have found it impracticable to identify in the production vouchers the armaments shown in this statement, or to distinguish between the productions for which Vote 12 is responsible and those which

ARMY (ORDNANCE FACTORIES) ACCOUNT &c.—*continued.*

Imperial Defence Act, 1888, &c.—*continued.*

Chairman—continued.

should fall upon the loan?—Yes, the productions vouchers would be the only means by which I could ascertain that, and they are not separated in the production vouchers.

1139. Consequently you are unable to certify that the sum which is charged to Sub-head B. in respect of production upon Armanents represents an accurate apportionment as regards this expenditure between the Vote and the Defence Loan?—Yes.

1140. (To Mr. *Knox.*) Do you think that in future it would be possible to give further information so as to enable the Comptroller and Auditor General to arrive at a conclusion whether the expenditure has been correctly apportioned or not?—I think it may be I do not know whether it could be done during the year which has just closed or not. Of course there are some difficulties in the way. The creation of additional Sub-heads against which accounts are to be kept complicates the work at the Factories very much. In this particular year the great mass of expenditure charged to the loan is for semi-manufactures, which could not easily be identified in a separate production account. I think Mr. Anderson is quite prepared to make an effort to make a division so that these can be traced in future. The loan, however, will come to end in twelve months' time; I think the money will be mostly expended.

ANNUAL ACCOUNTS OF THE ROYAL ARMY CLOTHING FACTORY FOR THE YEAR 1888–89.

Chairman.

1141. (To Sir *C. L. Ryan.*) I think that this is the first year in which these Accounts have been submitted to you in accordance with the Army and Navy Audit Act of last Session?—That is so.

1142. Owing, however, to the late period of the year at which the work was commenced, you report that you have found it impracticable to extend the detailed test-examination by your officers beyond the Accounts from the three principal Factories at Woolwich Arsenal?—Yes, that was as much as we could do within the time.

1143. You have, however, arranged for the commencement of a test-examination of the Accounts for the following year at an early date?—Yes.

1144. I believe you have yourself made a personal inspection of the books and accounts at the Royal Clothing Factory?—I have.

STORE ACCOUNTS OF THE ARMY.

No questions.

[The Witnesses withdrew.

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APPENDIX.

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APPENDIX.

APPENDIX, No. 1.

PAPER handed in by Mr. *R. H. Knox*, C.B., 12th March 1890.

STATEMENT of Case of Military Staff Clerk *Holdgate*, referred to in paragraph 20 of Comptroller and Auditor General's Report on the Army Account for 1888-89.

HOLDGATE originally enlisted as a private in the 13th Foot on 21st September 1867.

He purchased his discharge in order to settle in the Colony on 31st December 1875, after a service of 8 years 102 days.

He was at the time of his discharge a Sergeant, and in possession of two good-conduct badges.

On 1st May 1879 he was appointed, on the recommendation of the Colonial Secretary, confidential clerk to Sir H. Clifford, the Inspector General of the Lines of Communication and Base, then to Sir George Colley, and, on the abolition of this office, was continued in the same position in the Headquarter Office of the District. An enormous amount of work, and of a very confidential nature, was thrown upon Holdgate during the Zulu and Boer Wars, and he received the highest testimonials from all the Staff Officers under whom he served, including among others, Sir H. Clifford, Sir Drury Lowe, Sir Evelyn Wood, and Sir Redvers Buller.

On the expiration of the war the services of so highly-paid a clerk as Mr. Holdgate were no longer considered necessary (his pay as a Civilian Clerk had commenced at 10 *s.* a day, but, with ration allowance, was subsequently raised to 14 *s.* 6 *d.* a day), and orders were issued from the War Office for his appointment to cease. In June 1882 the General Officer Commanding in South Africa applied for his retention, either as a Civilian Clerk, or that he might be appointed a Military (Superintending) Clerk in his office.

This application was refused, as the establishment of such clerks was full, and Mr. Holdgate was given three months' notice to give up his appointment.

In September 1882 it was represented to the War Office that Holdgate would be willing to accept the inferior position of a Military Staff Clerk, on the following conditions:—

1. That his former service should be allowed to reckon towards pension.
2. That his appointment as Military Staff Clerk should be ante-dated to 1st May 1879, the date of his appointment as a Civilian Clerk.
3. That the rank he held before his discharge might reckon towards increase of rank and pay as Military Staff Clerk.

In consideration of Mr. Holdgate's valuable services, these conditions were accepted, and as the only way of carrying this out was to cancel his former discharge, this was done.

This concession had the effect of allowing the whole period from the date of his first enlistment (21st September 1867) to count as Army Service, and it was therefore necessary to stipulate that Holdgate should make no claim to Pay and Allowances (other than what he had received as a civilian clerk) for the period from 1st January 1876 to 11th November 1882. On his signing a bond to this effect, and also that he would not claim a refund of the money paid by him for the purchase of his discharge, he was appointed a Military Staff Clerk with pay at 4 *s.* 6 *d.* a day, with the usual allowances, from 12th November 1882. Several applications were subsequently forwarded by the General Commanding in South Africa for Holdgate's promotion to warrant rank, but were refused, partly on the ground of his juniority and partly that there was no necessity for a superintending clerk in the Headquarter Office.

Emoluments as Civilian Clerk, 270 *l.*; as Military Clerk, 135 *l.* per annum.

Quartermaster Sergeant Military Staff Clerk Holdgate completed 21 years' service on 20th September 1888, and in accordance with regulation, the deferred pay that had accrued was paid over to him, amounting to 32 *l.* 5 *s.*

This sum was made up as follows:—

			£.	*s.*	*d.*
1st April 1876 to 20th September 1879	=	3 years 173 days	=	10	10 –
1st July 1881 to 20th September 1888	=	7 years 82 days	=	21	15 –
		Total - - -	£.	32	5 –

He therefore received Deferred Pay for the following periods, when he was not actually serving as a soldier, viz.:—

		£.	*s.*	*d.*
1st April 1876 to 20th September 1879	=	10	10	–
1st July 1881 to 11th November 1882	=	4	–	–
Total - - -	£.	14	10	–

Or, taking the view that service while employed as a civilian in the Headquarter Office might fairly count as Army Service, the amount would be reduced to that drawn for the following period:—

1st April 1876 to 30th April 1879 = £. 9. 5 *s.*

or almost exactly agreeing with the amount paid for by Holdgate for his discharge (viz., 9 *l.*), and which was not refunded to him.

Holdgate retired on 3rd August 1889 on a pension of 2 *s.* 9 *d.* a day.

His rank, on the completion of 21 years' service from the date of attestation, was Quartermaster Sergeant, which placed him on the 1st Class for pension.

He was promoted Sergeant on 18th April 1874, and was consequently considered as having served continuously in that rank up to 20th September 1888, the date on which he completed 21 years' service.

He was, therefore, awarded, under Article 1125 of Royal Warrant, 1887, the pension admissible for a Non-Commissioned Officer under Class I., who has had more than 12 years' qualifying service as Sergeant, viz., 2 *s.* 9 *d.* a day; if not allowed to count as qualifying service the period during which he was out of the Service, viz., 1st April 1876 – 11th November 1882, his pension would be 2 *s.* a day.

If only the period served by him as a Civilian Clerk were allowed to count, his pension would be 2 *s.* 6 *d.* a day.

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APPENDIX, No. 2.

PAPER handed in by Mr. *R. H. Knox*, C.B., 19 March 1890.

COPIES of CORRESPONDENCE relating to Special Payment of 3,810 *l.* 0 *s.* 8 *d.* to Messrs. Kynoch & Co. (page 42, Army Appropriation Account, 1888-89).

(75—3—4440.)

Sir, War Office, 4 December 1888.

I AM directed by the Secretary of State for War to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that a correspondence extending over the last 18 months has taken place with Messrs. Kynoch & Co., Limited, in regard to a claim on their part for remuneration on account of supplies of cartridge cases obtained from other contractors, embodying a form of paper lining which is covered by their patent, No. 5,662 of 1885.

It is not denied that this lining has been used by this Department in respect of over 15,000,000 cases, the value of which is 37,942 *l.* 16 *s.* 9 *d.*, and, as in the opinion of a patent expert consulted by order of the Secretary of State, the patent in question is held to be good, a liability on the part of the Government to Messrs. Kynoch & Co., Limited, is recognised to the extent of 10 per cent on the value of the cases; viz., 3,794 *l.* 5 *s.* 8 *d.*

I am to observe that 15 per cent. had been claimed by the patentee, but after negociation the reduced royalty has been agreed upon and no further claim will arise.

As this charge was not contemplated when the Estimate was prepared, no provision was made to meet it, but there is no reason at present to anticipate any excess on Vote 12.

I am, accordingly, to ask the concurrence of their Lordships to the immediate payment of the sum in question, viz., 3,794 *l.* 5 *s.* 8 *d.*, to be charged to Vote 12, Sub-head B., Small Arm and Machine Gun Ammunition.

An early decision is desirable, as the award has been accepted and payment should not be delayed.

I have only to add that the reference to Dr. Hopkinson (the patent expert) was made through the Treasury Solicitor, who is aware of all the circumstances.

I am, &c.

The Secretary to the Treasury. (signed) *R. H. Knox.*

(19,349—88.)

Sir, Treasury Chambers, 13 December 1888.

THE Lords Commissioners of Her Majesty's Treasury direct me to inquire, with reference to Mr. Knox's letter of the 4th instant (No. 75—3—4440), by what process the infringement of Messrs. Kynoch & Co's. patent, No. 5662 of 1885, has been assessed at 10 per cent. of the value of the cartridge cases having a paper lining covered by that patent. The assessment is, no doubt, considerably less than that made by the patentees themselves, but as the invention seems to have consisted only of a method of inserting the lining, for which an alternative was found without difficulty so soon as it was ascertained that patent rights were being infringed, it appears questionable whether the proposed payment is not excessive.

My Lords would observe that under 46 & 47 Vict. c. 57, s. 27, the previous sanction of the Treasury is requisite for the terms on which the use of an invention is to be paid for by any Public Department; therefore the agreement made with Messrs. Kynoch is not binding until my Lords have approved of it.

As their Lordships have no independent means of forming a judgment in such cases they will be guided by the recommendation of the Secretary of State, provided they are satisfied that the best available opinion has been taken, not merely on the questions of the validity of the patent, and the fact of its infringement, but on the question of the money value of that infringement, having regard to the meritoriousness of the invention.

I am, &c.

The Financial Secretary, War Office. (signed) *R. E. Welby.*

(75—3—4488.)

Sir, War Office, 14 January 1889.

I AM directed by Mr. Secretary Stanhope to acknowledge the receipt of your letter, dated 13th December 1888 (19,349—88), relative to the proposed payment to the Kynoch Company, under their patent, No. 5,662 of 1885, and to request that you will acquaint the Lords Commissioners of the Treasury that he approved of a royalty of 10 per cent. being offered to the Company upon the recommendation of the Directors of Artillery and Contracts, as a fair and reasonable trade royalty for the invention in question.

Mr. Stanhope did not read the words of Schedule 27 of the Patent Act 46 & 47 Vict., as requiring the assent of the Treasury to counter terms to be proposed by the Department to contractors, but rather that after the terms had been mutually agreed upon the final assent of the Treasury would be necessary. In the present instance in offering the Kynoch Company 10 per cent. royalty, reference was made to this section of the Act, and it is quite understood by them that the Treasury has an over-ruling power.

The patent was referred, through the Treasury Solicitor, to Dr. Hopkinson, an expert in such questions, who was nominated by the Attorney General as competent to form an opinion on patents, and was by him stated to be valid.

Under these circumstances Mr. Stanhope trusts that their Lordships will sanction the payment of the amount under discussion.

I have, &c.

The Secretary to the Treasury. (signed) *W. St. John Brodrick.*

(885—89.)

Sir, Treasury Chambers, 26 January 1889.

IN reply to your letter of the 14th instant, I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of the Secretary of State for War, that my Lords concur in the proposed payment of 3,794 *l.* 5 *s.* 8 *d.* to Messrs. Kynoch, for infringement of their patent for cartridge cases: such payment to be charged to Vote 12, under a Sub-head opened for the purpose, and to be met out of savings on that Vote generally.

I am, &c.

The Financial Secretary, War Office. (signed) *Frank Mowatt.*

N.B.—The Treasury correspondence only supports a charge of 3,794 *l.* 5 *s.* 8 *d.*; the amount charged at page 42 of the Appropriation Account is 3,810 *l.* 0 *s.* 8 *d.*, showing a difference of 15 *l.* 15 *s.*, which represents the fee paid to Dr. Hopkinson for his advice on this matter.

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APPENDIX, No. 3.

PAPER handed in by Surgeon General *Mackinnon*, C.B., 26 March 1890.

RETURN of the Number of DRUG REQUISITIONS for *One Year*, from 1st January to 31st December 1888.

NAME OF CONTRACTOR.	Value under 5*s.*	Value over 5*s.*; Under 10*s.*	Value over 10*s.*; Under 20*s.*	Value over 20*s.*; Under 50*s.*	Value over 50*s.*; Under 100*s.*	Value over 100*s.*	TOTALS.	REMARKS.
	£.	£.	£.	£.	£.	£.	£.	
The Society of Apothecaries (London).	17	20	27	61	33	113	271	
The Society of Apothecaries (Dublin).	7	8	7	26	28	76	152	
Messrs. Savory and Moore -	9	12	26	34	32	133	242	
TOTALS - - - £.	33	40	60	121	93	322	665	

Army Medical Department,
26 March 1890.

W. A. Mackinnon, D.G.

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SECOND

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed*
30 *April* 1890.

[*Price* 9½ *d.*]

157. *Under* 10 *oz.*

H.—17. 5. 90.

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THIRD

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
14 *May* 1890.

LONDON
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

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Committee of Public Accounts.

Committee nominated,—[*Thursday, 13th February* 1890]—of—

Sir Ughtred Kay-Shuttleworth.	Mr. Jackson.
Sir John Lubbock.	Mr. Lane.
Sir Walter Barttelot.	Mr. Sydney Buxton.
Mr. Salt.	Mr. Arthur O'Connor.
Mr. Barran.	Mr. Wodehouse.
Sir Richard Temple.	

Ordered, That the Committee have power to send for Persons, Papers, and Records.

Ordered,—[*Friday, 14th February* 1890]:—That the Committee on Public Accounts do consist of Twelve Members.

That Mr. Donald Crawford be added to the Committee.

Ordered,—[*Tuesday, 25th February* 1890]:—That the Report of the Select Committee on Estimates Procedure (Grants of Supply), of Session 1888, be referred to the Committee of Public Accounts.

Ordered,—[*Thursday, 27th February* 1890]:—That the Statement laid before the House, showing Arrangement of Votes in the Estimates for 1890–91, as compared with that in the Estimates for 1889–90, be referred to the Committee of Public Accounts.

Ordered,—[*Tuesday, 4th March* 1890]:—That the Statement laid before the House, showing the Changes in the Arrangement of Votes made in the Army and Navy Estimates for 1890–91, be referred to the Committee of Public Accounts.

That a Copy of the Estimates for the year 1890–91 be referred to the Committee of Public Accounts.

Ordered,—[*Monday, 24th March* 1890]:—That Mr. Lane be discharged from the Committee of Public Accounts.

That Mr. Webb be added to the Committee.

THIRD REPORT - - - - - - - - - - - - - p. iii

PROCEEDINGS OF THE COMMITTEE - - - - - - - - p. xi

MINUTES OF EVIDENCE - - - - - - - - - - - p. 1

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THIRD REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the matters to them referred, and have agreed to the following THIRD REPORT:—

RE-ARRANGEMENT OF ESTIMATES.

1. IN their First Report of this Session your Committee reported that letters had been laid before them, addressed by the Secretary to the Treasury to the Chairman of your Committee, upon re-arrangements that had been effected in the Estimates for the Civil Services, the Army, and the Navy respectively, resulting in each case in a reduction in the numbers of separate Votes. First Report, Public Accounts Committee, para. 1.

Your Committee reported their concurrence with the opinions which had been expressed in the Third Report of the Public Accounts Committee in 1888, advising that a Department would do well to propose, and the Treasury to insist upon, the postponement of the adoption of a new form of Estimates until the House of Commons or the Public Accounts Committee had been given an opportunity of expressing their opinion upon it, and pointing out that, if changes of form were held to require your Committee's judgment, it seemed only reasonable that these should have been submitted to them (as in 1867 and 1881) before being actually adopted. Paras. 3, 4.

Your Committee, therefore, held "that proposals to alter the form of the Estimates "and number of the Votes . . . . . should, in the first place, be laid before the House, "so as to enable the House to examine them, and, if it should think fit, to refer them to "the Public Accounts Committee before an important change is adopted." Paras. 4, *b*.

Your Committee further reported, "If the House should determine to refer any "proposed changes to your Committee they will be prepared to consider them, so far as "regards the proper functions of your Committee, which relate to the Accounts and to "the maintenance of due Parliamentary control over expenditure.

"Your Committee do not desire to deal with any questions relating to the voting of "the Estimates in Committee of Supply. These seem to them to be outside the scope "of their duties."

2. Your Committee's First Report having thus brought the New Arrangement of the Estimates, reducing the number of Votes, to the notice of the House, these changes were the subject of questions and answers in the House, and of some debate in Committee of Supply. Hansard, Feb. 28, 1890, vol. i., pp. 1518–1534.

Subsequently the Estimates were referred to your Committee by Resolution of the House; and it became their duty, within the limits of their proper functions, which are defined in the extract above quoted from their First Report, to consider these changes, without, however, dealing with any questions which may arise in relation to the process of voting the Estimates in Committee of Supply.

Your Committee entered upon this duty with the understanding that they were free to consider the changes as if they had not been made, but had merely been submitted as a scheme for the future.

Representatives of the Treasury, War Office, and Admiralty, as well as the Comptroller and Auditor General, have been examined and their evidence is printed in the Appendix. Q. 1145–1444.

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PARLIAMENTARY CONTROL OVER VOTES.

Q. 1145, 6. Q. 1250, 1. 3. In considering any new arrangement of Estimates reducing the number of Votes, the first point to be borne in mind is the fact that the amalgamation of two or more Votes confers on the Departments increased freedom in the use of the money that may be voted.

Q. 1155. Q. 1180–3. Money hitherto voted under three separate Votes, for three different objects, will, if included in one Vote, be applicable, without any fresh Resolution of Parliament, to all or any of the three objects. An excess on the Estimate for any one or two of the objects will not have to be submitted to Parliament for sanction, if it be met by a surplus Q. 1152. on the remainder of the new Vote. Whereas every excess on a separate Vote is brought to the notice of the Public Accounts Committee and is then submitted, upon their Report, in the form of an "Excess Vote" or Resolution to the House, and embodied in an Appropriation Bill, which has to receive the sanction of Parliament.

Q. 1147. In the case of the Civil Service Votes, there is not even a temporary power in any Government Department of using a surplus on one Vote to meet a deficit on another; Q. 1151–4. but such a temporary power, subject always to the presentation to the House of a *E. g.*, 52 & 53 Vict. c. 70, ss. 4, 5. Resolution subsequently embodied in the Appropriation Bill, is annually given to the Treasury, in regard to the various Votes for the Army, and also to those for the Navy, by a clause in the final Appropriation Act of each Session.

4. Your Committee hold that in every case where there is reason for maintaining Parliamentary control, to the extent of requiring that any excess over the Q. 1199–1200. money granted by Parliament for any particular object or service, should be submitted to the House, provision should be made for that service, as heretofore, in a separate Vote.

Q. 1186–98. Q. 1240–46. To substitute in these cases, for that Parliamentary control, a control of the Treasury, such as that Department now exercises over the application of money voted for one Sub-Head to the use of another, would be a great change. Treasury control may be most usefully exercised in regard to the Sub-Heads of a Vote. But as regards transfers of money from one Vote to another, your Committee cannot recommend any modification of the existing law, tempered as it is, in the case of the Army and Navy Votes respectively, by means of the temporary power conferred annually on the Treasury by the section in the final Appropriation Act of the Session.

CONTINUITY OF ESTIMATES AND OF ACCOUNTS.

Q. 1171. 5. Another point of considerable moment in any alteration in the arrangement of Estimates is the importance of continuity, as regards the Classes, the Votes, and the details of one year's Estimates and one year's Accounts, in comparison with those of another year. It is essential to remember that the form and arrangement of the Accounts Q. 1174–8. necessarily follow the form of the Estimates. In both Estimates and Accounts it is very desirable, from the point of view of Parliament, that there should be great facility for comparing one year's outlay on any head of expenditure with that of other years.

Cases have occurred when it has seemed best, in discontinuing the separate existence of a Vote, to break it up and distribute its contents among other Votes. Q. 1157. In such cases continuity is destroyed, and comparison of one year with another can only be effected by a more or less laborious search, with the aid of the index and of an arithmetical sum. But where a general re-arrangement is adopted for the purpose of simplifying the Estimates, and reducing the total number of resolutions to be proposed in Q. 1158. Committee of Supply, great care should be taken to keep the contents of old Votes intact as far as possible. Where the old Vote did not contain Sub-Heads, it should itself be a Q. 1159. distinct Sub-Head of the amalgamated Vote; and where it did contain Sub-Heads, these also should be preserved, and, if possible, the old Vote should reappear as a separate group of Sub-Heads within the items of Part II. of the amalgamated Vote.

Q. 1148. The Treasury exercise a control necessitating a recourse to their sanction, before savings on one Sub-Head can be used to meet deficits on others. This control is secured by Treasury regulations framed under the Exchequer and Audit Act. Practically, it has been used rigidly only in the case of the Civil Service Votes, in respect of which the power of

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of thus sanctioning transfers from Sub-Head to Sub-Head is necessarily largely exercised by the Treasury. The figures for one year were given to your Committee as follows :—

"The year taken is 1888-89; the total number of Sub-Heads in the Civil Service Estimates, as shown in the Appropriation Accounts, was 1,142. Out of those the expenditure exceeded the Estimate on 290, that is, in the case of about a quarter of them. That includes new Sub-Heads opened with Treasury sanction after the Estimates had been presented to Parliament. . . . . The gross total amount of savings on Sub-Heads was 504,677 *l.*, and the total amount of excesses which were met by transfers out of savings on other Sub-Heads was 126,841 *l.*" Q. 1254.

The Treasury will properly be unwilling, unless sufficient reason is given, to approve the proposal of a Department to reduce by amalgamation the number of Sub-Heads in a Vote.

ACCOUNTING OFFICERS.

6. In amalgamating existing Votes, it is also important to avoid, as far as possible, any change which will transfer the responsibility of an existing Accounting Officer to another officer, less immediately associated with the administration of the service for which the money is voted. A change of this nature would be contrary to the spirit of the first proviso of Section 22 of the Exchequer and Audit Act, and would place the Public Accounts Committee at a disadvantage; as it is their practice, on all important points which arise on an Appropriation Account, to seek from the Accounting Officer, who is responsible, the departmental evidence which they annually obtain. Evidence from an Accounting Officer more remote from the service in question would be often less valuable, and might not be a safe guide to your Committee in forming conclusions on the points at issue. Already it has been the practice of the Public Accounts Committee to examine the responsible officer of the Patent Office, instead of the Board of Trade official who acts as Accounting Officer. Q. 1160. Q. 1162.

7. Moreover, the Comptroller and Auditor General's queries upon an Account, and his letters to a Department, would be subject to similar disadvantage, and additional correspondence would be necessary, if he had to communicate with an Accounting Officer who was not closely connected with that Department and its administration, and who was, therefore, under the necessity of passing on most of the queries or letters to some other official more intimately acquainted with the questions raised. Q. 1163-5.

RE-ARRANGED CIVIL SERVICE ESTIMATES.

8. Coming to the re-arrangement of the Civil Service Estimates now before your Committee, they observe, in the first place, that the changes made are less considerable in number, in scope, and in their effect upon continuity, than those suggested in either of the two schemes laid before the Estimates Procedure Committee, and the Public Accounts Committee respectively, in the Session of 1888. The number of Votes, then proposed to be reduced to 89, is now reduced from 137 to 106. Moreover, the Sub-Heads have been preserved; and the old Votes form groups of Sub-Heads, except in a few cases where there has been sufficient reason for distributing the items of an old Vote. Q. 1160. Q. 1171. Q. 1238-9.

9. The grouping suggested in 1888 would have diminished the number of Accounting Officers by 18, whereas the diminution now effected amounts to five only.

10. Care has been taken to preserve, ont he whole, the continuity of the Classes; so that your Committee are assured, on behalf of the Treasury, that the sums transferred from one Class of these Estimates to another do not amount to 8,000 *l.* Q. 1171-3.

CHANGES IN CIVIL SERVICE ESTIMATES.

11. Your Committee proceed to report on those changes which seem to them to call for special notice, and to mention a few minor changes.

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CLASS I.

VOTE 1.—ROYAL PALACES AND MARLBOROUGH HOUSE.

Q. 1201-5. 12. Your Committee have no objection to offer to the inclusion of the old Vote for Marlborough House as a Sub-Head of this Vote.

VOTE 3.—PUBLIC BUILDINGS, GREAT BRITAIN.

13. This Vote comprises three old Votes, namely, "Houses of Parliament," Q. 1206-9. "Public Buildings," and "Furniture of Public Offices." There appear to be good reasons for amalgamating the last-named Vote, which related only to the furniture of those offices the maintenance of which was provided for in the old Vote for Public Buildings, with that Vote.

Supra, paras. 3-5. 14. The inclusion of the old Vote for the Houses of Parliament may be open to some question, though, perhaps, not from the point of view of Parliamentary control.

Q. 1220. It appears that the new Vote is intended approximately to include the cost of buildings and furniture for Departments the salaries and other expenses of which are provided for in Class II. of these Estimates; while Vote 5 corresponds with Class III., Vote 6 with Class IV., Vote 7 with Class V., and Vote 8 with the Revenue Departments.

Q. 1260-78. Your Committee suggest, however, that, seeing that several Votes thus provide for different kinds of Public Buildings, all of which, excepting the Diplomatic and Consular Buildings of Vote 7, are in Great Britain, the title "Public Buildings, Great Britain," applied to only one of these Votes, is likely to be misleading.

Q. 1272. Your Committee, therefore, incline to the opinion that the important item, "Houses of Parliament" might conveniently be retained as a separate Vote; and that the rest of the present Vote 3 should follow after the other Votes for Buildings in Great Britain, and be named "Other Public Buildings, Great Britain."

VOTE 5.—MISCELLANEOUS LEGAL BUILDINGS, GREAT BRITAIN.

Q. 1259, 1220. 15. Your Committee have no reason to disapprove the grouping in this Vote of the three old Votes for Legal Buildings (County Courts, Metropolitan Police Courts, and Sheriff Court Houses, Scotland), the salaries and expenses connected with which are provided in Class III.

VOTE 6.—ART AND SCIENCE BUILDINGS, GREAT BRITAIN.

Q. 1284. 16. In this Vote also are included two Votes (Science and Art Department Buildings and British Museum Buildings), corresponding to services provided for in a separate Class of the Estimates, namely, Class IV. This change appears to be open to no objection from your Committee's point of view.

VOTE 10.—HARBOURS AND LIGHTHOUSES ABROAD (BOARD OF TRADE).

Q. 1285. 17. The two old Votes (Harbours under Board of Trade and Lighthouses Abroad) here thrown together, for the convenience of the Board of Trade, were both accounted for by that Department, and your Committee offer no objection.

VOTE 13.—RATES ON GOVERNMENT PROPERTY, UNITED KINGDOM.

Q. 1286. 18. The old Vote for the fixed contribution of 10,000*l.* to the Metropolitan Fire Brigade, being in reality a contribution in aid of Local Rates, properly becomes a Sub-Head in the Vote for Rates on Government Property.

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VOTE 14.—PUBLIC WORKS AND BUILDINGS, IRELAND.

19. The Vote for the new Science and Art Buildings, now practically completed, would have disappeared in the usual course, and is merged in the old Vote for Public Buildings, Ireland, which, moreover, receives the more accurate name above given, as it includes provision for Harbours and Navigations, and for Drainage, Tramway, and Light Railway Works, under recent Acts of Parliament. Q. 1296-1300.

CLASS II.

VOTE 3.—TREASURY AND SUBORDINATE DEPARTMENTS.

20. With the Treasury Vote have been grouped those for the Pay Office, Exchequer, Scotland (the part relating to salaries, the remainder being transferred to Class VII.), Teachers' Pension Office, Ireland (removed from Class IV.), and Suez Canal Directors (from Class V.).

The explanations tendered to your Committee satisfy them that these changes may be accepted. The Pay Office Vote has been but a small one; otherwise, the transfer of the duties of Accounting Officer from the permanent head of that office to the Treasury would be open to the objections your Committee has offered to such transfers in principle. Q. 1302-17. Q. 1314-16. *Supra*, paras. 6, 7.

VOTE 8.—BOARD OF TRADE AND SUBORDINATE DEPARTMENTS.

21. The old Vote of this name now absorbs the old Patent Office Vote, which has been already accounted for by the Accounting Officer of the Board of Trade. The amount of the Vote, about 57,000 *l.*, seems rather large for amalgamation with the Board of Trade Vote of about 102,000 *l.* But the Patent Office is a subordinate Department of that Board. And there will be no difficulty in keeping up the practice of the Public Accounts Committee, already mentioned in this Report, of examining the permanent head of the Patent Office on points which may arise relating to its expenditure. Q. 1318-24. *Supra*, para. 6.

VOTE 27.—SECRETARY FOR SCOTLAND.

22. The Police Vote for Scotland disappears from Class III., in consequence of the Local Government (Scotland) Act, 1889; and the salary of the Inspector of Constabulary, Scotland, hitherto borne on that Vote, is properly added to that for the Secretary for Scotland.

VOTE 32.—LORD LIEUTENANT AND CHIEF SECRETARY.

23. Your Committee approve the transfer of the Office of Arms and Queen's Plates to Class VII. But they recommend that the old Votes for the Lord Lieutenant's Household and the Chief Secretary's Office be maintained as distinct Votes. The new title is misleading, as the Lord Lieutenant's salary is not voted annually, but is paid from the Consolidated Fund. And the expense of his Household is of a character different from that of the salaries of the Chief Secretary and his subordinates, and from the expenses of the various offices comprised in the old Vote for his Office. Q. 1335-44.

CLASS III.

VOTE 2.—MISCELLANEOUS LEGAL EXPENSES (ENGLAND AND WALES).

24. Four old Votes (Criminal Prosecutions, Railway and Canal Commission, Wreck Commission, and Revising Barristers), all accounted for by the Treasury, are conveniently combined in this Vote. Q. 1345-47.

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VOTE 3.—SUPREME COURT OF JUDICATURE AND LAND REGISTRY (ENGLAND AND WALES).

Q. 1348-55. 25. This is a case in which the combination of two Votes (Supreme Court of Judicature and Land Registry) results in the substitution of a more remote Accountant Officer for the Land Registrar, who has hitherto accounted for the Vote of his Department. The amount of this Vote is at present small, about 3,500 *l.*; but your Committee entertain some doubt as to the expediency of this amalgamation, and suggest that it should not continue.

VOTE 10.—LAW CHARGES AND COURTS OF LAW, SCOTLAND.

Q. 1359. 26. The Votes for "Lord Advocate, &c., N.B.," and "Courts of Law and Justice" in Scotland, have been grouped in one Vote. Your Committee offer no objection.

VOTE 15.—SUPREME COURT OF JUDICATURE AND OTHER LEGAL DEPARTMENTS, IRELAND.

Q. 1361-4. 27. Five old Votes (Supreme Court, Court of Bankruptcy, Admiralty Registry, Registry of Deeds, and Registry of Judgments), accounted for by different officers, are amalgamated, and will all be accounted for by the Accountant General of the Supreme Court, who is a financial officer with a financial staff. This change appears to be an improvement; the four Votes thus brought under his care were small Votes.

CLASS IV.

VOTE 6.—LEARNED SOCIETIES AND SCIENTIFIC INVESTIGATION (UNITED KINGDOM).

Q. 1365-71. 28. In this Vote are brought together the old Vote for "Learned Societies," one Sub-Head of the "Universities, Scotland, Vote," namely, that providing for the Edinburgh Observatory, and the old Vote for the "Royal Irish Academy." Your Committee have no objection to this change, but suggest that the words "Learned Societies" should be omitted from the title of the Vote, as they are misleading, and the Vote would be better named "Scientific Investigation, &c. (United Kingdom)."

VOTE 7.—UNIVERSITIES AND COLLEGES (GREAT BRITAIN).

Q. 1372, 3. 29. The old Vote for "Scotch Universities" is now included in this Vote, with good reason.

CLASS V.

VOTE 1.—DIPLOMATIC AND CONSULAR SERVICES.

Q. 1374-8. 30. Although the amalgamation of the two Votes for these services produces a large Vote (over 400,000 *l.*), your Committee offer no objection.

VOTE 3.—COLONIAL SERVICES, INCLUDING SOUTH AFRICA.

Q 1379 31. The grouping under this title of two old Votes (Colonies, Grants in Aid, and South Africa and St. Helena) seems unobjectionable.

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CLASSES VI. AND VII.

32. The changes in the Votes under these Classes are unimportant and reasonable. Q. 1380, 1.

NUMBER OF VOTES.

33. The adoption of your Committee's suggestions would result in the number of Civil Service Votes being in future 109, instead of 106, as proposed by the changes submitted to your Committee.

REARRANGED ARMY AND NAVY VOTES.

34. The changes in the Navy Estimates are comparatively unimportant. But the Army and Navy Estimates in their altered form should be considered together, owing to the fact that the letter from the Treasury, of 22nd February, to the Chairman of your Committee referred to "the steps that have been taken to carry out the recommendation "of the Public Accounts Committee, 1888, in the 52nd paragraph of their Third Report, "that the Treasury, Admiralty, and War Department should confer together with a view "to reducing the Army and Navy Estimates, as far as practicable, to a common form." Public Accounts Committee, First Report, 1890, App. 3.

The actual recommendation of the Public Accounts Committee, 1888, was that the two Departments "should, in conference with the Treasury, consider whether a form "of Estimate ensuring approximate uniformity for both Departments might not be "framed, and be laid before the House of Commons, with a view to its being permanently "adopted." Public Accounts Committee, Third Report, para. 52.

Your Committee have this Session, in their First Report, expressed their concurrence with this view; they proceed to consider the changes as if they were only a scheme for the future. Public Accounts Committee, First Report, 1890, para. 4.

35. The reduction proposed in the total number of Votes, including the Votes for Numbers, is, in the Army Estimates, from 26 to 14, and in the Navy Estimates, from 21 to 18. *Supra*, para. 2. Q. 1382, 3.

NON-EFFECTIVE SERVICES (ARMY AND NAVY).

36. A large part of the reduction is in the Votes for Non-effective Services, which were, in the case of the Army, nine in number, and in that of the Navy, five, and are now three for each service. Here the changes seem satisfactory; and continuity is preserved, as far as possible, by means of groups of Sub-Heads. Q. 1438–1440.

DIVINE SERVICE (NAVY).

37. In the Navy Estimates there is only one other change. Vote 6 for Divine Service disappears. About three-fourths of it is amalgamated in Vote 1, Wages. The rest is distributed among other Votes. Your Committee offer no objection, as the Vote had only been created in 1888, to correspond to the Divine Service Vote for the Army, which has since disappeared. Q. 1441–4.

VOTE 1.—(ARMY).

PAY, &c.

38. Four old Votes, namely, those for Pay, Chaplains, Prisons (Martial Law), and Reserve, are thrown together to constitute a Vote for "Pay, &c.," corresponding to that for "Wages, &c.," in the Navy. Your Committee see no objection to the change, except as regards the old Vote for Prisons (Martial Law), which, in their opinion, provided for services of a very different character from the others thus grouped together. Moreover, in the case of the Navy, it was found impossible to group the Vote for Martial Law with that for Wages. Approximation to a common form in the Army and Navy Estimates, as Q. 1386–9. 1393, 4. Q. 1396, 7. 1006. Q. 1890, 1. 1899.

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well as continuity for purposes of comparison from year to year, are admitted to be desirable objects. Your Committee therefore recommend that the Army Vote for Prisons (Martial Law) should reappear in future years.

Vote 3.—(ARMY).

PAY, &c., OF MILITIA, YEOMANRY, AND VOLUNTEER CORPS.

Q. 1409. Q. 1431. Q. 1433–5. 39. The three Votes for the Militia, Yeomanry, and Volunteers have been combined in one rather large Vote. Your Committee consider the nature of each of the old Votes, and of the service to which it relates, especially in the case of the Militia, to be so different from the two other Votes and services, that they recommend that the three Votes should remain distinct for the future. Their view is supported by the fact, stated in evidence on behalf of the War Office, that the Militia is no longer regarded as a part of the "Auxiliary Forces," the use of that term being applied only to the Yeomanry and Volunteer Corps.

Q. 1410–26.

Vote 5.—(ARMY).

COMMISSARIAT.

40. Victuals and Clothing have formed one Vote, in the Navy Estimates. It is proposed that the two old Army Votes for Provision and Clothing shall therefore be combined. The effect would be to produce a very large Vote of about 3,500,000*l.*, more than three times the amount of the corresponding Navy Vote. This fact, coupled with two others, namely, the breach of continuity and the amalgamation of the Vote for Clothing Establishments, &c. with services of a different character, seems to outweigh the reason given for the change; and your Committee recommend the retention of the two old Votes.

Q. 1827–57.

NUMBER OF VOTES.

41. If these recommendations of your Committee, modifying the scheme referred for their consideration, be adopted, the number of Army Votes will have been reduced from 26 to 18, or to the same number as the Votes for the Navy according to that scheme.

14 *May* 1890.

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PROCEEDINGS OF THE COMMITTEE.

Wednesday, 7th May 1890.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Webb.	Mr. Salt.
Mr. Arthur O'Connor.	Mr. Wodehouse.
Sir John Lubbock.	Sir Richard Temple.
Mr. Jackson.	Mr. Sydney Buxton.
Sir Walter Barttelot.	Mr. Donald Crawford.

The Navy Appropriation Accounts, 1888–89, Votes 8 and 9 (Advances to Contractors), were further considered.

Mr. *A. B. Forwood* (a Member of the House), Sir *Gerald FitzGerald*, K.C.M.G., Mr. *G. L. Ryder*, C.B., and Sir *Charles L. Ryan*, K.C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 14th May 1890.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Sydney Buxton.	Sir Walter Barttelot.
Mr. Webb.	Mr. Wodehouse.
Mr. Arthur O'Connor.	Mr. Salt.
Mr. Jackson.	Sir Richard Temple.
Mr. Barran.	Sir John Lubbock.
Mr. Donald Crawford.	

DRAFT THIRD REPORT, proposed by the Chairman, read the first time, as follows:—

"RE-ARRANGEMENT OF ESTIMATES.

"1. In their First Report of this Session your Committee reported that letters had been laid before them, addressed by the Secretary to the Treasury to the Chairman of your Committee, upon re-arrangements that had been effected in the Estimates for the Civil Services, the Army, and the Navy respectively, resulting in each case in a reduction in the number of separate Votes. First Report, Public Accounts Committee, para. 1.

"Your Committee reported their concurrence with the opinions which had been expressed in the Third Report of the Public Accounts Committee in 1888, advising that a Department would do well to propose, and the Treasury to insist upon, the postponement of the adoption of a new form of Estimates until the House of Commons or the Public Accounts Committee had been given an opportunity of expressing their opinion upon it, and pointing out that, if changes of form were held to require your Committee's judgment, it seemed only reasonable that these should have been submitted to them (as in 1867 and 1881) before being actually adopted. Paras. 3, 4.

"Your Committee, therefore, held 'that proposals to alter the form of the Estimates and 'number of the Votes . . . . . should, in the first place, be laid before the House, so as to 'enable the House to examine them, and, if it should think fit, to refer them to the Public Accounts 'Committee before an important change is adopted.' Paras. 4, 5.

"Your Committee further reported, 'If the House should determine to refer any proposed 'changes to your Committee they will be prepared to consider them, so far as regards the proper 'functions of your Committee, which relate to the Accounts and to the maintenance of due Parliamentary control over expenditure.

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"'Your Committee do not desire to deal with any questions relating to the voting of the 'Estimates in Committee of Supply. These seem to them to be outside the scope of their 'duties.'

"2. Your Committee's First Report having thus brought the New Arrangement of the Estimates, reducing the number of Votes, to the notice of the House, these changes were the subject of questions and answers in the House, and of some debate in Committee of Supply.

Hansard, Feb. 28, 1890, vol. i., pp. 1518–1534.

"Subsequently the Estimates were referred to your Committee by Resolution of the House; and it became their duty, within the limits of their proper functions, which are defined in the extract above quoted from their First Report, to consider these changes, without, however, dealing with any questions which may arise in relation to the process of voting the Estimates in Committee of Supply.

"Your Committee entered upon this duty with the understanding that they were free to consider the changes as if they had not been made, but had merely been submitted as a scheme for the future.

Q. 1145–1444.

"Representatives of the Treasury, War Office, and Admiralty, as well as the Comptroller and Auditor General, have been examined, and their evidence is printed in the Appendix.

"PARLIAMENTARY CONTROL OVER VOTES.

"3. In considering any new arrangement of Estimates reducing the number of Votes, the first point to be borne in mind is the fact that the amalgamation of two or more Votes confers on the Departments increased freedom in the use of the money that may be voted.

Q. 1145, 6. Q. 1250, 1. Q. 1155. Q. 1180-3.

"Money hitherto voted under three separate Votes, for three different objects, will, if included in one Vote, be applicable, without any fresh Resolution of Parliament, to all or any of the three objects. An excess on the Estimate for any one or two of the objects will not have to be submitted to Parliament for sanction, if it be met by a surplus, on the remainder of the new Vote. Whereas every excess on a separate Vote is brought to the notice of the Public Accounts Committee, and is then submitted, upon their Report, in the form of an 'Excess Vote' or Resolution to the House, and embodied in an Appropriation Bill, which has to receive the sanction of Parliament.

Q. 1152.

Q. 1147.

"In the case of the Civil Service Votes, there is not even a temporary power in any Government Department of using a surplus on one Vote to meet a deficit on another; but such a temporary power, subject always to the presentation to the House of a Resolution subsequently embodied in the Appropriation Bill, is annually given to the Treasury, in regard to the various Votes for the Army, and also to those for the Navy, by a clause in the final Appropriation Act of each Session.

Q. 1151–4. *E.g.*, 52 & 53 Vict. c. 70, ss. 4, 5.

"4. Your Committee hold that in every case where there is reason for maintaining Parliamentary control, to the extent of requiring that any excess over the money granted by Parliament for any particular object or service should be submitted to the House, provision should be made for that service, as heretofore, in a separate Vote.

Q. 1199–1200.

"To substitute in these cases, for that Parliamentary control, a control of the Treasury, such as that Department now exercises over the application of money voted for one Sub-Head to the use of another, would be a great change. Treasury control may be most usefully exercised in regard to the Sub-Heads of a Vote. But as regards transfers of money from one Vote to another, your Committee cannot recommend any modification of the existing law, tempered as it is in the case of the Army and Navy Votes respectively, by means of the temporary power conferred annually on the Treasury by the section in the final Appropriation Act of the Session.

Q 1186–98. Q. 1240–46.

"CONTINUITY OF ESTIMATES AND OF ACCOUNTS.

"5. Another point of considerable moment in any alteration in the arrangement of Estimates is the importance of continuity, as regards the Classes, the Votes, and the details of one year's Estimates and one year's Accounts, in comparison with those of another year. It is essential to remember that the form and arrangement of the Accounts necessarily follow the form of the Estimates. In both Estimates and Accounts it is very desirable, from the point of view of Parliament, that there should be great facility for comparing one year's outlay on any head of expenditure with that of other years.

Q. 1171.

Q. 1174-8.

"Cases have occurred when it has seemed best, in discontinuing the separate existence of a Vote, to break it up and distribute its contents among other Votes. In such cases continuity is destroyed, and comparison of one year with another can only be effected by a more or less laborious search, with the aid of the index and of an arithmetical sum. But where a general re-arrangement is adopted for the purpose of simplifying the Estimates, and reducing the total number of resolutions to be proposed in Committee of Supply, great care should be taken to keep the contents of old Votes intact, as far as possible. Where the old Vote did not contain Sub-Heads, it should itself be a distinct Sub-Head of the Amalgamated Vote; and where it did contain Sub-Heads, these also should be preserved, and, if possible, the old Vote should reappear as a separate group of Sub-Heads within the items of Part II. of the amalgamated Vote.

Q. 1157. Q. 1158. Q. 1159.

"The Treasury exercise a control necessitating a recourse to their sanction, before savings on one Sub-Head can be used to meet deficits on others. This control is secured by Treasury regulations framed under the Exchequer and Audit Act. Practically, it has been used rigidly only in the case of the Civil Service Votes, in respect of which the power of thus sanctioning transfers from

Q. 1148.

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from Sub-Head to Sub-Head is necessarily largely exercised by the Treasury. The figures for one year were given to your Committee as follows:—

"The year taken is 1888–89; the total number of Sub-Heads in the Civil Service Estimates, as shown in the Appropriation Accounts, was 1,142. Out of those the expenditure exceeded the Estimate on 290, that is, in the case of about a quarter of them. That includes new Sub-Heads opened with Treasury sanction after the Estimates had been presented to Parliament. . . . . The gross total amount of savings on Sub-Heads was 504,677 *l.*, and the total amount of excesses which were met by transfers out of savings on other Sub-Heads was 126,841 *l.* Q. 1254.

"The Treasury will properly be unwilling, unless sufficient reason is given, to approve the proposal of a Department to reduce by amalgamation the number of Sub-Heads in a Vote.

"ACCOUNTING OFFICERS.

"6. In amalgamating existing Votes, it is also important to avoid, as far as possible, any change which will transfer the responsibility of an existing Accounting Officer to another officer, less immediately associated with the administration of the service for which the money is voted. A change of this nature would be contrary to the spirit of the first proviso of Section 22 of the Exchequer and Audit Act, and would place the Public Accounts Committee at a disadvantage; as it is their practice, on all important points which arise on an Appropriation Account, to seek from the Accounting Officer, who is responsible, the departmental evidence which they annually obtain. Evidence from an Accounting Officer more remote from the service in question would be often less valuable, and might not be a safe guide to your Committee in forming conclusions on the points at issue. Already it has been the practice of the Public Accounts Committee to examine the responsible officer of the Patent Office, instead of the Board of Trade official who acts as Accounting Officer. Q. 1160. Q. 1162.

"7. Moreover, the Comptroller and Auditor General's queries upon an Account, and his letters to a Department, would be subject to similar disadvantage, and additional correspondence would be necessary, if he had to communicate with an Accounting Officer who was not closely connected with that Department and its administration, and who was, therefore, under the necessity of passing on most of the queries or letters to some other official more intimately acquainted with the questions raised. Q. 1163–5.

"RE-ARRANGED CIVIL SERVICE ESTIMATES.

"8. Coming to the re-arrangement of the Civil Service Estimates now before your Committee, they observe, in the first place, that the changes made are less considerable in number, in scope, and in their effect upon continuity, than those suggested in either of the two schemes laid before the Estimates Procedure Committee, and the Public Accounts Committee respectively, in the Session of 1888. The number of Votes, then proposed to be reduced to 89, is now reduced from 137 to 106. Moreover, the Sub-Heads have been preserved; and the old Votes form groups of Sub-Heads, except in a few cases where there has been sufficient reason for distributing the items of an old Vote. Q. 1160. Q. 1171. Q. 1233–9.

"9. The grouping suggested in 1888 would have diminished the number of Accounting Officers by 18, whereas the diminution now effected amounts to five only.

"10. Care has been taken to preserve, on the whole, the continuity of the Classes; so that your Committee are assured, on behalf of the Treasury, that the sums transferred from one Class of these Estimates to another do not amount to 8,000 *l.* Q. 1171–3.

"CHANGES IN CIVIL SERVICE ESTIMATES.

"11. Your Committee proceed to report on those changes which seem to them to call for special notice, and to mention a few minor changes.

CLASS I.

"VOTE 1.—ROYAL PALACES AND MARLBOROUGH HOUSE.

"12. Your Committee have no objection to offer to the inclusion of the old Vote for Marlborough House as a Sub-Head of this Vote. Q. 1201–5.

"VOTE 3.—PUBLIC BUILDINGS, GREAT BRITAIN.

"13. This Vote comprises three old Votes, namely, 'Houses of Parliament.' 'Public Buildings,' and 'Furniture of Public Offices.' There appear to be good reasons for amalgamating the last-named Vote, which related only to the furniture of those offices the maintenance of which was provided for in the old Vote for Public Buildings, with that Vote. Q. 1206–9.

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Supra paras. 3–5.

"14. The inclusion of the old Vote for the Houses of Parliament may be open to some question, though, perhaps, not from the point of view of Parliamentary control.

Q. 1220.

"It appears that the new Vote is intended approximately to include the cost of buildings and furniture for Departments the salaries and other expenses of which are provided for in Class II. of these Estimates; while Vote 5 corresponds with Class III., Vote 6 with Class IV., Vote 7 with Class V., and Vote 8 with the Revenue Departments.

Q. 1260–78.

"Your Committee suggest, however, that, seeing that several Votes thus provide for different kinds of Public Buildings, all of which, excepting the Diplomatic and Consular Buildings of Vote 7, are in Great Britain, the title 'Public Buildings, Great Britain,' applied to only one of these Votes, is likely to be misleading.

Q. 1272.

"Your Committee, therefore, incline to the opinion that the important item, 'Houses of Parliament,' might conveniently be retained as a separate Vote; and that the rest of the present Vote 3 should follow after the other Votes for Buildings in Great Britain, and be named 'Other Public Buildings, Great Britain.'

"VOTE 5.—MISCELLANEOUS LEGAL BUILDINGS, GREAT BRITAIN.

Q. 1259, 1220.

"15. Your Committee have no reason to disapprove the grouping in this Vote of the three old Votes for Legal Buildings (County Courts, Metropolitan Police Courts, and Sheriff Court Houses, Scotland), the salaries and expenses connected with which are provided in Class III.

"VOTE 6.—ART AND SCIENCE BUILDINGS, GREAT BRITAIN.

Q. 1284.

"16. In this Vote also are included two Votes (Science and Art Department Buildings and British Museum Buildings), corresponding to services provided for in a separate Class of the Estimates, namely, Class IV. This change appears to be open to no objection from your Committee's point of view.

"VOTE 10.—HARBOURS AND LIGHTHOUSES ABROAD (BOARD OF TRADE).

Q. 1285.

"17. The two old Votes (Harbours under Board of Trade and Lighthouses Abroad) here thrown together, for the convenience of the Board of Trade, were both accounted for by that Department, and your Committee offer no objection.

"VOTE 13.—RATES ON GOVERNMENT PROPERTY, UNITED KINGDOM.

Q. 1286.

"18.—The old Vote for the fixed contribution of 10,000 *l.* to the Metropolitan Fire Brigade, being in reality a contribution in aid of Local Rates, properly becomes a Sub-Head in the Vote for Rates on Government Property.

"VOTE 14.—PUBLIC WORKS AND BUILDINGS, IRELAND.

Q. 1200–1300.

"19. The Vote for the new Science and Art Buildings, now practically completed, would have disappeared in the usual course, and is merged in the old Vote for Public Buildings, Ireland, which, moreover, receives the more accurate name above given, as it includes provision for Harbours and Navigations, and for Drainage, Tramway, and Light Railway Works, under recent Acts of Parliament.

"CLASS II.

"VOTE 3.—TREASURY AND SUBORDINATE DEPARTMENTS.

"20. With the Treasury Vote have been grouped those for the Pay Office, Exchequer, Scotland (the part relating to salaries, the remainder being transferred to Class VII.), Teachers' Pension Office, Ireland (removed from Class IV.), and Suez Canal Directors (from Class V.).

Q. 1302–17.

"The explanations tendered to your Committee satisfy them that these changes may be accepted. The Pay Office Vote has been but a small one; otherwise the transfer of the duties of

Q. 1314–16.

Accounting Officer from the permanent head of that office to the Treasury would be open to the

Supra paras. 6, 7.

objections your Committee has offered to such transfers in principle.

"VOTE 8.—BOARD OF TRADE AND SUBORDINATE DEPARTMENTS.

Q. 1318–24.

"21. The old Vote of this name now absorbs the old Patent Office Vote, which has been already accounted for by the Accounting Officer of the Board of Trade. The amount of the Vote, about 57,000 *l.*, seems rather large for amalgamation with the Board of Trade Vote of about 102,000 *l.* But

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But the Patent Office is a subordinate Department of that Board. And there will be no difficulty in keeping up the practice of the Public Accounts Committee, already mentioned in this Report, of examining the permanent head of the Patent Office on points which may arise relating to its expenditure. *Supra, para. 6.*

"VOTE 27.—SECRETARY FOR SCOTLAND.

"22. The Police Vote for Scotland disappears from Class III., in consequence of the Local Government (Scotland) Act, 1889; and the salary of the Inspector of Constabulary, Scotland, hitherto borne on that Vote, is properly added to that for the Secretary for Scotland.

"VOTE 32.—LORD LIEUTENANT AND CHIEF SECRETARY.

"23. Your Committee approve the transfer of the Office of Arms and Queen's Plates to Class VII. But they recommend that the old Votes for the Lord Lieutenant's Household and the Chief Secretary's Office be maintained as distinct Votes. The new title is misleading, as the Lord Lieutenant's salary is not voted annually, but is paid from the Consolidated Fund. And the expense of his Household is of a character different from that of the salaries of the Chief Secretary and his subordinates, and from the expenses of the various offices comprised in the old Vote for his Office. Q. 1335–44.

"CLASS III.

"VOTE 2.—MISCELLANEOUS LEGAL EXPENSES (ENGLAND AND WALES).

"24. Four old Votes (Criminal Prosecutions, Railway and Canal Commission, Wreck Commission, and Revising Barristers), all accounted for by the Treasury, are conveniently combined in this Vote. Q. 1345–47.

"VOTE 3.—SUPREME COURT OF JUDICATURE AND LAND REGISTRY (ENGLAND AND WALES).

"25. This is a case in which the combination of two Votes (Supreme Court of Judicature and Land Registry) results in the substitution of a more remote Accountant Officer for the Land Registrar, who has hitherto accounted for the Vote of his Department. The amount of this Vote is at present small, about 3,500 *l.*; but your Committee entertain some doubt as to the expediency of this amalgamation, and suggest that it should not continue. Q. 1348–55.

"VOTE 10.—LAW CHARGES AND COURTS OF LAW, SCOTLAND.

"26. The Votes for 'Lord Advocate, &c., N.B.,' and 'Courts of Law and Justice' in Scotland, have been grouped in one Vote. Your Committee offer no objection. Q. 1356.

"VOTE 15.—SUPREME COURT OF JUDICATURE AND OTHER LEGAL DEPARTMENTS, IRELAND.

"27. Five old Votes (Supreme Court, Court of Bankruptcy, Admiralty Registry, Registry of Deeds, and Registry of Judgments), accounted for by different officers, are amalgamated, and will all be accounted for by the Accountant General of the Supreme Court, who is a financial officer with a financial staff. This change appears to be an improvement; the four Votes thus brought under his care were small Votes. Q. 1361–4.

"CLASS IV.

VOTE 6.—LEARNED SOCIETIES AND SCIENTIFIC INVESTIGATION (UNITED KINGDOM).

"28. In this Vote are brought together the old Vote for 'Learned Societies,' one Sub-Head of the 'Universities, Scotland, Vote,' namely, that providing for the Edinburgh Observatory, and the old Vote for the 'Royal Irish Academy.' Your Committee have no objection to this change, but suggest that the words 'Learned Societies' should be omitted from the title of the Vote, as they are misleading, and the Vote would be better named "Scientific Investigation, &c. (United Kingdom)." Q. 1365–71.

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"VOTE 7.—UNIVERSITIES AND COLLEGES (GREAT BRITAIN).

Q. 1372, 3. "29. The old Vote for 'Scotch Universities' is now included in this Vote, with good reason.

CLASS V.

VOTE 1.—DIPLOMATIC AND CONSULAR SERVICES.

Q. 1374–8. "30. Although the amalgamation of the two Votes for these services produces a large Vote (over 400,000 *l.*), your Committee offer no objection.

"VOTE 3.—COLONIAL SERVICES, INCLUDING SOUTH AFRICA.

Q. 1379 "31. The grouping under this title of two old Votes (Colonies, Grants in Aid, and South Africa and St. Helena) seems unobjectionable.

"CLASSES VI. AND VII.

Q. 1380, 1. "32. The changes in the Votes under these Classes are unimportant and reasonable.

"NUMBER OF VOTES.

"33. The adoption of your Committee's suggestions would result in the number of Civil Service Votes being in future 109, instead of 106, as proposed by the changes submitted to your Committee.

"RE-ARRANGED ARMY AND NAVY VOTES.

"34. The changes in the Navy Estimates are comparatively unimportant. But the Army and Navy Estimates in their altered form should be considered together, owing to the fact that the letter from the Treasury, of 22nd February, to the Chairman of your Committee referred to 'the 'steps that have been taken to carry out the recommendation of the Public Accounts Committee, '1888, in the 52nd paragraph of their Third Report, that the Treasury, Admiralty, and War 'Department should confer together with a view to reducing the Army and Navy Estimates, as far 'as practicable, to a common form.'

Public Accounts Committee, First Report, 1890, App. 3.

"The actual recommendation of the Public Accounts Committee, 1888, was that the two Departments 'should, in conference with the Treasury, consider whether a form of Estimate 'ensuring approximate uniformity for both Departments might not be framed, and he laid before the 'House of Commons, with a view to its being permanently adopted.'

Public Accounts Committee, Third Report, para. 52.

"Your Committee have this Session, in their First Report, expressed their concurrence with this view; they proceed to consider the changes as if they were only a scheme for the future.

Public Accounts Committee, First Report, 1890, para. 4.

"35. The reduction proposed in the total number of Votes, including the Votes for Numbers, is, in the Army Estimates, from 26 to 14, and in the Navy Estimates, from 21 to 18.

Supra, para. 2.

Q. 1382, 3.

"NON-EFFECTIVE SERVICES (ARMY AND NAVY).

"36. A large part of the reduction is in the Votes for Non-effective Services, which were, in the case of the Army, nine in number, and in that of the Navy, five, and are now three for each service. Here the changes seem satisfactory; and continuity is preserved, as far as possible, by means of groups of Sub-Heads.

Q. 1438–1440.

"DIVINE SERVICE (NAVY).

"37. In the Navy Estimates there is only one other change. Vote 6 for Divine Service disappears. About three-fourths of it is amalgamated in Vote 1, Wages. The rest is distributed among other Votes. Your Committee offer no objection, as the Vote had only been created in 1888, to correspond to the Divine Service Vote for the Army, which has since disappeared.

Q. 1441–4.

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"VOTE 1.—(ARMY).

"PAY, &c.

"38. Four old Votes, namely, those for Pay, Chaplains, Prisons (Martial Law), and Reserve, are thrown together to constitute a Vote for 'Pay, &c.,' corresponding to that for 'Wages, &c.,' in the Navy. Your Committee see no objection to the change, except as regards the old Vote for Prisons (Martial Law), which, in their opinion, provided for services of a very different character from the others thus grouped together. Moreover, in the case of the Navy, it was found impossible to group the Vote for Martial Law with that for Wages. Approximation to a common form in the Army and Navy Estimates, as well as continuity for purposes of comparison from year to year, are admitted to be desirable objects. Your Committee therefore recommend that the Army Vote for Prisons (Martial Law) should re-appear in future years. Q. 1386-9, 1393, 4. Q. 1396, 7. 1006. Q. 1890, 1. 1899.

"VOTE 3.—(ARMY).

"PAY, &c., OF MILITIA, YEOMANRY, AND VOLUNTEER CORPS.

"39. The three Votes for the Militia, Yeomanry, and Volunteers have been combined in one rather large Vote. Your Committee consider the nature of each of the old Votes, and of the service to which it relates, especially in the case of the Militia, to be so different from the two other Votes and services, that they recommend that the three Votes should remain distinct for the future. Their view is supported by the fact, stated in evidence on behalf of the War Office, that the Militia is no longer regarded as a part of the 'Auxiliary Forces,' the use of that term being applied only to the Yeomanry and Volunteer Corps. Q. 1409. Q. 1431. Q. 1433-5. Q. 1410-26.

"VOTE 5.—(ARMY).

"COMMISSARIAT.

"40. Victuals and Clothing have formed one Vote, in the Navy Estimates. It is proposed that the two old Army Votes for Provision and Clothing shall therefore be combined. The effect would be to produce a very large Vote of about 3,500,000 *l.*, more than three times the amount of the corresponding Navy Vote. This fact, coupled with two others, namely, the breach of continuity and the amalgamation of the Vote for Clothing Establishments, &c., with services of a different character, seems to outweigh the reason given for the change; and your Committee recommend the retention of the two old Votes.

"NUMBER OF VOTES.

"41. If these recommendations of your Committee, modifying the scheme referred for their consideration, be adopted, the number of Army Votes will have been reduced from 26 to 18, or to the same number as the Votes for the Navy according to that scheme."

Question, "That this Report be read a second time, paragraph by paragraph,"—put, and *agreed to.*

Paragraphs 1—14, *agreed to.*

Paragraphs 15—39, postponed.

Paragraph 40—

Mr. *Ralph H. Knox*, C.B., Sir *Charles L. Ryan*, K.C.B., Mr. *Edward W. Hamilton*, C.B., and Mr. *Ryder*, C.B. were examined.

Paragraph 40, further considered.

Amendment proposed, in line 2 and following lines, to leave out all the words from the word "The" to the end of the paragraph—(Mr. *Jackson*).—Question put, "That the words proposed to be left out stand part of the paragraph."—The Committee divided:

Ayes, 5.	Noes, 4.
Mr. Webb.	Mr. Jackson.
Mr. Arthur O'Connor.	Sir Richard Temple.
Sir Walter Barttelot.	Mr. Salt.
Mr. Barran.	Mr. Wodehouse.
Mr. Donald Crawford.	

Paragraph 40, *agreed to.*

Further consideration of Draft Report postponed.

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The Navy Appropriation Accounts, 1888–89, Votes 8, and 9, were further considered.

Mr. *A. B. Forwood* (a Member of the House), Mr. *Ralph H. Knox*, C.B., Sir *Gerald FitzGerald*, K.C.M.G., Sir *Charles L. Ryan*, K.C.B., Mr. *G. L. Ryder*, C.B., and Mr. *Edward W. Hamilton*, C.B., were examined.

DRAFT THIRD REPORT further considered.

Postponed paragraphs 15—39, *agreed to*.

Paragraph 41, *agreed to*.

Question, That this Report be the Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report, together with Minutes of Evidence.

[Adjourned till Wednesday, 11th June, at Two o'clock.

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MINUTES OF EVIDENCE.

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LIST OF WITNESSES.

Wednesday, 16*th April* 1890.

PAGE.

Mr. Edward W. Hamilton, C.B., Sir Charles Lister Ryan, K.C.B., Mr. G. L. Ryder, C.B., and Mr. Stephen Edward Spring Rice - - - - - - - - - - - - 1

Mr. Ralph Henry Knox, C.B. - - - - - - - - - - - - - 20

Sir Gerald FitzGerald, K.C.M.G. - - - - - - - - - - - - 22

Wednesday, 14*th May* 1890.

Mr. Edward W. Hamilton, C.B., Sir Charles Lister Ryan, K.C.B., and Mr. G. L. Ryder, C.B. 25

Mr. Ralph Henry Knox, C.B. - - - - - - - - - - - - - 25

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MINUTES OF EVIDENCE.

Wednesday, 16th April 1890.

MEMBERS PRESENT:

Sir Walter Barttelot.	Mr. Arthur O'Connor.
Mr. Donald Crawford.	Mr. Salt.
Mr. Jackson.	Sir Richard Temple.
Sir Ughtred Kay-Shuttleworth.	Mr. Webb.
Sir John Lubbock.	Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE ESTIMATES.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. G. L. RYDER, C.B., re-called; and further Examined.

RE-ARRANGEMENT OF VOTES.

Mr. STEPHEN EDWARD SPRING-RICE, re-called; and further Examined.

Chairman.

1145. SINCE you attended the Committee on the 26th of February the Committee have made a First Report, and subsequently the whole of the Estimates have been referred to this Committee for consideration; I will, therefore, not pursue the questions which I was asking you on that occasion, but I will ask you to explain to the Committee, in the first place, the provisions of the Exchequer and Audit Act which limit the power of a Department to use money voted for one service for another, and also the annual clause in the Appropriation Act giving a temporary power to the Treasury of sanctioning transfers from one Vote to another in the case of Army and Navy Votes; perhaps you will explain those two things in your own way to the Committee?—The first point which the Chairman puts, as I understand, is, what limit is there on the power of a Department of spending money voted by Parliament; and the answer to that, I conceive, is, that the limit is the terms of the Resolution by which the money is voted. Anything which is within the terms of that Resolution, in the opinion of the Comptroller and Auditor General will (I speak subject to the Comptroller and Auditor General) be passed by the Comptroller and Auditor General as chargeable in one way or another to that Vote. Anything which is not, in his opinion, within the limits of the Resolution would not be chargeable to the Vote; and if the Department attempt to charge it to that Vote, even with Treasury sanction, the Comptroller and Auditor General will report it to Parliament for disallowance.

Chairman—continued.

1146. It would also be the case that money voted for a particular service could not be used for a service in another Vote; for instance, money voted for the Local Government Board could not be used for the Home Office Vote, could it?—No, because it would not be within the terms of the Resolution granting the money for the Home Office Vote.

1147. And there is no power, is there, for the Treasury to give even temporary sanction for transferring money from a service under one Vote to another Vote?—No.

1148. Perhaps before we pass from the Civil Service Votes to the Army and Navy Votes you will explain the circumstances under which it is now necessary to obtain Treasury sanction in the case of a transfer of money from one Sub-Head to another?—Within a Vote the money is apportioned between certain Sub-Heads which have been prescribed by the Treasury, or may from time to time be prescribed by the Treasury. A Department has no power of spending on the purposes of a particular Sub-Head more than the amount set down in the Estimates for that Sub-Head, for that particular Sub-Head, without coming to the Treasury. That rests on regulations made by the Treasury under the Exchequer and Audit Act, and is enforced by the audit of the Comptroller and Auditor General, who would, if necessary, report to the Treasury any case in which the Department had attempted to charge to a particular Sub-Head any expenditure not within the meaning of that Head. He also

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16 *April* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. SPRING-RICE. [*Continued.*

CIVIL SERVICE ESTIMATES.

Re arrangement of Votes—*continued.*

Chairman—continued.

reports any excesses upon Sub-Heads in his Report upon the Appropriation Account.

1149. With regard to the details in Part III. of the Estimates, there is greater freedom on the part of a Department, but the Treasury prescribes to some extent the form in which Part III. is stated; is that not so?—Yes; I am hardly prepared to give an exact general statement of how what is printed under Part III. of the Estimates might be interpreted. I think that in practice it would not be interpreted very rigidly one way or the other. The Comptroller and Auditor General, in the case of buildings, for instance (which is rather a typical case), reports on the Appropriation Accounts any material excess over the amount provided for the particular building within the Sub-Head.

1150. There is no such rigid rule, I understand, with respect to the details under Part III. as there is with regard to the Sub-Heads under Part II.?—There is no such rigid rule.

1151. (To Mr. *Ryder.*) Will you explain the effect of the clause in the annual Appropriation Act which gives a special power to the Treasury with respect to the Army and Navy Votes?—Under the clause to which you refer the Treasury can, upon the motion of the Admiralty or the War Department, as the case may be, sanction an excess upon an Army or Navy Vote, provided that excess can be met out of the savings upon the other Army or Navy Votes.

1152. But that is only a temporary power on the part of the Treasury, and it is necessary, in the case of an excess on any particular Vote, for the Army or for the Navy respectively, to obtain subsequently the sanction of Parliament by Resolution; is not that so?—That is true; that has been the case since 1862.

1153. (To Sir *C. L. Ryan.*) Perhaps I had better ask you, have you anything further to add to what has been stated on behalf of the Treasury on this general point?—No; I think the general description that has been given is accurate.

1154. Perhaps you would explain to the Committee the difference between the power of the Treasury to give temporary sanction for certain purposes and the necessity of obtaining Parliamentary sanction?—There is a very wide distinction between the Army and Navy and the Civil Services in that matter. In the case of the Army and Navy the Treasury, if satisfied by a representation from the Department, of which they are the absolute judges in the long run, can transfer any saving from one Vote to meet a deficiency upon another. In the case of the Civil Services no such power exists; the Treasury cannot transfer a single penny from one Civil Service Vote to another Civil Service Vote. Therefore, placing together different Votes and making them into one Vote gives a greater freedom of allocation to the Treasury than they would otherwise have.

1155. If you had three different Votes of 10,000 *l.* each, there would be much greater freedom, would there not, to the Department, if you lumped those Votes together and made them into one Vote of 30,000 *l.*, because they could freely use the money for any one of the three services, which before had been provided for in three Votes?—Yes; but it would be known how far they so acted; because they could not do that without transferring from one Sub-Head to another Sub-Head, and in the course of the examination of the account that fact would appear, and would be stated in my Report to Parliament.

1156. Provided always that the old Votes were preserved as similar Sub-Heads or groups of Sub-Heads?—Yes; if they were not preserved as separate Sub-Heads the power of comparison ceases altogether.

1157. That is to say, if a Vote is abolished, and the details of that Vote are distributed among a number of other Votes, the difficulty of comparison with past years, except by recourse to the index, which is rather a laborious process, is destroyed?—It would be clear that there would be no power of comparison without an arithmetical sum, picking out the details and aggregating them under one.

1158. Therefore you would attach importance, in any important grouping or amalgamation of Votes, to the preservation of the old Vote, either in the form of a separate Sub-Head or a separate group of Sub-Heads?—Certainly; if comparison is considered desirable that is the only way of securing it.

1159. You would also attach importance, I presume, to the preservation of the old Sub-Heads of the Vote for the purpose of comparison?—Yes; if the Sub-Heads are very much altered the power of comparison is thereby weakened or destroyed.

1160. (To Mr. *Spring-Rice.*) Coming to the form in which the Civil Service Estimates have been presented to Parliament this Session, how does that compare with the scheme laid before this Committee in 1888?—The changes in the new Estimates, as compared with the changes suggested in 1888, are less considerable. The changes in 1888 would have reduced the number of Votes (including the Revenue Department Vote, and making one or two allowances with which I need not trouble the Committee) to 89; the present scheme reduces them to 106, and is therefore much less sweeping in that respect. As another way of showing that the changes as adopted in this scheme are less than those suggested in 1888, I may mention that the scheme of 1888 would have abolished 14 accounting officers; that is to say, 14 gentlemen would have ceased to appear as accounting officers; whereas under the present scheme the number of accounting officers is only reduced by five. That is not a very important matter, but it indicates that the present scheme is decidedly less considerable than that of 1888.

1161. But it may be an important matter, may it not, that the accounting officers should disappear, if the Public Accounts Committee, on behalf of the House of Commons and the Comptroller

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CIVIL SERVICE ESTIMATES.

Re-arrangement of Votes—*continued.*

Chairman—continued.

troller and Auditor General, get their information less directly in consequence, we will say, of the Treasury appearing for the Department instead of the accounting officer who has hitherto appeared before the Committee or corresponded with the Comptroller and Auditor General?—I would not deny that there might be some loss in that respect, though I do not know that the Treasury would admit that any of the changes which are now made are open to that criticism. At the same time the Committee will remember that they summon before them anybody they please. The Committee have before them gentlemen who are not accounting officers.

1162. In the case of the Patent Office, for instance, it has been the practice of the Committee, has it not, to examine the representative of the Patent Office, though he was not an accounting officer?—Yes; he has not been the accounting officer for the Vote for some years, but he has appeared before the Committee.

1163. In the case of the Comptroller and Auditor General, he would have to correspond with the accounting officer as regards any queries which he might raise, and that might cause delay and increased correspondence, might it not?—No doubt it possibly might.

1164. (To Sir *C. L. Ryan.*) Do you attach any importance to that point?—I think, if it is possible to avoid it, it would be better not to make a circumlocution in the queries. Under the changes as now proposed, if I rightly understand them, I should have, for instance, to communicate with the accounting officer of the Treasury with regard to intermediate education in Ireland. (Mr. *Spring-Rice.*) These changes would not affect that case. I may perhaps explain that the five accounting officers I referred to, who would vanish under this scheme, are the Land Registrar in England, the Vice Registrar, as he is called, and four small legal officers in Ireland. (Sir *Charles Ryan.*) I am speaking rather at a disadvantage, because I do not know the full scope of this alteration as it would apply with regard to the accounts. I imagine that by transferring a Vote from one Department to another, the accounting officer would be transferred at the same time; that is to say, if the Treasury accounts for the Paymaster General's Office the Treasury would be the accounting officer for the Paymaster General's Office. I do not know if that is intended. (Mr. *Spring-Rice.*) Yes, for the Vote Account. (Sir *C. L. Ryan.*) Then every query I make to the Paymaster General must pass through the Treasury, and be transmitted to the Paymaster General, who alone can properly answer it.

1165. Whereas, hitherto, there having been an accounting officer in the Paymaster General's Department, you have corresponded with him?—Yes, direct.

1166. (To Mr. *Spring-Rice.*) I think the next point you would like to bring before the Committee is, certain precedents which you would like to refer to for alterations in the number and arrangements of the Votes?—It would be a long story to mention all the innumerable changes which the Civil Service Estimates have gone through; but I might mention that the last great overhauling of the Estimates in their grouping and classification generally took place in the year 1868-69. It occurred at the same time as important changes in the form of the Estimates, in consequence of the Exchequer and Audit Act; that is to say, the introduction of specific Sub-Heads; but it had nothing to do in principle with those changes. In that year there was a very considerable re-classification of the Estimates; a great number of Votes were transferred from one Class to another, and a great number were thrown together. There were cases, I think, of seven or eight Votes being thrown into one Vote. The result of the changes, which were of the nature of reductions by throwing Votes together, was to take off about 30 Votes. At the same time, however, there were certain additions in the way of new Votes, or rather of the subdivision of Votes required under the Exchequer and Audit Act, in consequence of the system of single accounting officers; and this involved the addition of eight or ten to the number of Votes in the Estimates. Therefore in that year there was a net reduction of about 22 Votes, as compared with the numbers in the Estimates for the year before.

1167. I think that followed upon the Report of a Treasury Committee composed of Mr. Foster and Mr. Vine in 1867?—The changes in the form of the Estimates, introducing specific Sub-Heads and a single accounting officer for each Vote, did so, and possibly (I have not the information to enable me to say) at the same time the same gentlemen did overhaul the Estimates from the other point of view; but the two changes are quite independent of each other in principle.

1168. That report of Mr. Foster and Mr. Vine came before the Public Accounts Committee in 1867, and they recommended that the plan should be adopted both for the Civil Service and for the Army and Navy, I believe?—Yes; the plan referred to was the introduction of specific Sub-Heads.

Mr. *Jackson.*

1169. I understood you to say it had nothing to do with the number of Votes?—Nothing.

1170. Was that the first time that the plan of Sub-Heads was adopted in the form of the Estimates?—I think it was the first time it was adopted generally and rigidly.

Chairman.

1171. You would, perhaps, wish to say, with respect to the present change in the Estimates, that on the whole the continuity of the Classes has been preserved?—Yes. Care has been taken to preserve the statistical history of the Estimates as much as possible, so that the transfers between the Classes have

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CIVIL SERVICE ESTIMATES.

Re-arrangement of Votes—*continued.*

Chairman—continued.

have been unimportant in amount. The total sum transferred from one Class to another Class is under 8,000 *l.*; that is, the sum transferred as a consequence of these changes.

1172. And that is a small amount compared with transfers that are frequently made for other reasons from year to year; is not that so?—Yes.

Mr. *Jackson.*

1173. That is the sum over the whole of the Votes, is it not?—Yes.

Mr. *Wodehouse.*

1174. (To Sir *C. L. Ryan.*) You spoke of the necessity of preserving the existing Sub-Heads in any re-grouping of the Votes, if it was desired to have a means of easy comparison in future years; do you as the Comptroller and Auditor General attach a value to the power of easy comparison?—I think that is rather a matter for the House of Commons than for me.

1175. I am asking you what you yourself would feel about it?—Personally it does not affect my work.

1176. You think that is a matter for the House of Commons rather than for you?—Yes.

Sir *Richard Temple.*

1177. Will you explain why it does not affect your work?—I have to ascertain each year that the expenditure granted for that year is properly expended; I have not got to make any comparison with regard to economy or the reverse of that year with the year that preceded.

Mr. *Jackson.*

1178. When you speak of economy, you mean less or greater expenditure?—Yes, I use the expression in that sense.

Mr. *Salt.*

1179. Yours is an audit quite apart from public considerations, as I understand?—I have nothing to do with the propriety of the expenditure, or its amount as compared with former years.

Sir *Walter Barttelot.*

1180. At present each Vote stands by itself, and the money so voted cannot be applied to any other Vote; is not that so?—Certainly.

1181. Now, if you are going to group a certain number of Votes together, you agree to the principle that the money which would be voted for the whole Vote, including the various Votes which are now grouped together into one, can be expended on any of those purposes?—It will be available for the whole Vote. As the law now stands that is a necessary consequence of the alteration.

1182. Do you think that is a fair and proper and judicious proposal; sums of money would be voted for each of these various items, and I presume they will be more or less specified and named?—They will be specified by name, and I

CIVIL SERVICE ESTIMATES.

Re-arrangement of Votes—*continued.*

Sir *Walter Barttelot*—continued.

shall be able to ascertain whether or not money that was voted for one purpose has been transferred by Treasury sanction to another purpose, and to report the fact. There my functions would end.

1183. Just let me take as an example the Votes for the Royal Palaces and Marlborough House; might the money voted for the Royal Palaces be expended upon Marlborough House as well as upon the Royal Palaces?—Yes, if this change is adopted.

Mr. *Arthur O'Connor.*

1184. Have you had any communication with the Treasury with regard to the undertaking given in the House of Commons a few nights ago, that the sub-totals of the old Votes should be respected?—I have no knowledge of it apart from the public sources.

Mr. *Jackson.*

1185. If there is no transfer, the question would not arise, would it?—I presume not.

Mr. *Arthur O'Connor.*

1186. (To Mr. *Spring-Rice.*) Taking the case which has just been mentioned by Sir Walter Barttelot, of the grouped Vote for Royal Palaces and Marlborough House, do you understand that a Treasury undertaking has been given in the House of Commons that no balance available on that portion of the enlarged Vote which is put down for the Royal Palaces shall be available for Marlborough House?—It is hardly possible for me to say exactly what undertaking may or may not have been given in the House of Commons; but I may say that it is completely within the power of the Treasury to say to the Office of Works, who is the accounting officer for this Vote, "We will not let you apply the saving on the Royal Palaces portion of the Vote to meet an excess expended on the Marlborough House portion of the Vote," which is the case the honourable Member contemplates, as I understand.

1187. That is hardly my question. Of course it is within the power of the Treasury to say that or anything else; but what is the present attitude of the Treasury with regard to these grouped Votes?—Looking at the time of year, I think the question can hardly be supposed to have arisen yet in a practical shape.

1188. Have you no official record of the undertaking by the Treasury that each sub-total representing the old Vote shall represent the specific appropriation to be dealt with as if it were a separate Vote?—No official record to that effect is within my knowledge.

Mr. *Jackson.*

1189. I think you will find that a memorandum has been sent to you; I wrote a memorandum at the time?—No doubt it is an oversight on my part.

1190. If

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CIVIL SERVICE ESTIMATES.

Re-arrangement of Votes—*continued.*

Mr. *Arthur O'Connor.*

1190. If you find that there is a memorandum to that effect in the Treasury, will you communicate it to the Comptroller and Auditor General?—Yes; if a Treasury Minute were recorded to that effect it would naturally be communicated to the Comptroller and Auditor General for his information.

1191. (To Sir *C. L. Ryan.*) Without such a Minute, would you consider that the Treasury would have the power to transfer an unappropriated balance from Royal Palaces to Marlborough House?—Certainly.

Chairman.

1192. Even with such a Minute, I understand that the position would be different from that which has existed with regard to Royal Palaces and Marlborough House in past years; because in past years it would have been impossible, without an excess being reported to Parliament, and without Parliament sanctioning that excess by express Resolution, to spend more on Marlborough House than had been voted by Parliament for that purpose?—No doubt that is so.

1193. An undertaking on the part of the Treasury to make a rule that they would not sanction the transfer of money from the Royal Palaces portion of the Vote to the Marlborough House portion, would not put the thing quite in the same position as it has been in the past, would it?—No. I think it might also lead to an anomaly. I presume that the undertaking (I am speaking subject to correction) went to the extent that in no case should a transfer be made from one group of Sub-Heads to another group of Sub-Heads without the sanction of the House.

1194. Where the group of Sub-Heads was a merged old Vote?—Where it was a merged old Vote.

Mr. *Jackson.*

1195. I think that there has been no undertaking of that sort given. The undertaking which I gave was that pending the Report of this Committee, and the decision which might be arrived at, I would undertake that the Treasury would not make use of the power so far as the Estimates for this year are concerned, and I take it that it is entirely within the power of the Treasury not to sanction any such transfer?—That, of course, is quite clear.

1196. Therefore, in the event of the Public Accounts Committee not approving of the reduction in the number, or making any suggestions which might lead to a future alteration, the undertaking which I gave would be complied with, if transfers as between items which are in this year's Estimates' Sub-Heads, and which were formerly separate Votes, are not sanctioned?—Yes. My observations were rather on the supposition that the undertaking was a permanent one, and extended to future accounts; if it is merely temporary, a question would hardly arise.

CIVIL SERVICE ESTIMATES.

Re-arrangement of Votes—*continued.*

Chairman.

1197. In that case there is a very great difference between the present state of affairs, and the state of affairs subsequent to the undertaking to which the honourable Member has referred, which was given in the House of Commons. There is the difference which I just now pointed out, and to which you assented, and there is also the difference that this is merely a temporary undertaking not necessarily to last beyond the time when this Committee may report, and not to last even for a year?—No doubt; that alters the whole scope of the undertaking, as I understood it.

1198. But even if it went further, it might be subject, might it not, to alteration by the Government of the day at any future time?—That was what I was going on to point out. Assuming the undertaking had a wider sense than it seems it has, I was going to point out that as the law now stood as regards this question of the Treasury limiting the power at their own discretion, that power was reversible by the same authority that could impose it. And besides that there was this further point: that if the Treasury sought Parliamentary sanction to apply an excess upon a group of Sub-Heads of the old Vote they might be driven to the anomaly of going to Parliament to vote a sum to supply a deficiency upon a Vote upon which there was absolutely a surplus.

1199. I presume that those considerations would lead you to the conclusion that where it is important that there should not be a departmental power, with the approval of the Treasury, to transfer from one service to another, it would be desirable to maintain the old Votes rather than to amalgamate them and then to adopt any new regulation such as has been suggested?—I should prefer the maintenance of the old system, so far as on consideration it was found it might be applicable, to the new, rather than a modified arrangement such as you pointed to.

1200. That would apply, I presume, to all cases where Parliament might not think that the Executive Government, including the Treasury, should have a free hand as regards the transfer of money voted to one service to the use of another service?—Speaking as the Officer of Parliament, and for this purpose as its adviser, that would be my view certainly.

CLASS I.

PUBLIC WORKS AND BUILDINGS.

On VOTE 1.

ROYAL PALACES AND MARLBOROUGH HOUSE.

Chairman.

1201. (To Mr. *Spring-Rice.*) This is the case to which reference has just been made. The old Vote for Marlborough House, which amounted to about 1,900 *l.*, has been amalgamated with

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CIVIL SERVICE ESTIMATES—Class I.

Vote 1.—Royal Palaces, &c.—*continued.*

Chairman—continued.

the Royal Palaces, which amounted to rather over 34,000 *l*; would you state the reason for that amalgamation?—Marlborough House appears to occupy an intermediate position between the palaces occupied by Her Majesty and such buildings as Clarence House, occupied by the Duke of Edinburgh, and provided for out of the Royal Palaces Vote. As a matter of history, as the Committee are well aware, it was not originally used by the Heir Apparent, and that seems to be the only reason for its not being included among the Royal Palaces in that Vote.

1202. (To Sir *C. L. Ryan.*) Have you anything to say upon this case of amalgamation?—I have nothing to say upon that case.

Mr. *Webb.*

1203. (To Mr. *Spring-Rice.*) Is Marlborough House the permanent property of the Crown, in the same way as the other Royal Palaces?—Yes, it is built upon part of the hereditary land of the Crown.

Mr. *Jackson.*

1204. This Vote is accounted for by the Office of Works, is it not?—Both Votes were accounted for by the Office of Works, and the combined Vote will be accounted for by them.

1205. The work is carried out by the same department for both Votes, is it not?—Entirely.

On VOTE 3.

PUBLIC BUILDINGS, GREAT BRITAIN.

Chairman.

1206. (To Mr. *Spring-Rice.*) Taking the next case, the new Vote 3, Public Buildings, Great Britain, includes three old Votes, namely, Houses of Parliament, Public Buildings, and Furniture of Public Offices. Taking the two last Votes first, I believe the name "Furniture of Public Offices" was rather a misleading name, was it not?—Yes, it was certainly open to misconstruction; because only the furniture of about half of the Public Departments, as commonly understood, was provided for out of that Vote; it was practically only the furniture of the Public Offices the maintenance of which was provided for in the old Vote for Public Buildings.

1207. Where did the rest of the furniture come in?—Under the respective Building Votes; and certain furniture of the Science and Art Department and the British Museum was provided for under their own Votes in Class IV.

1208. It was not a large Vote; it was only about 17,000 *l.*, I believe?—Yes; it was not very large.

1209. In your opinion, is there a strong case for amalgamating these two Votes of Public Buildings and Furniture of Public Offices?—I

CIVIL SERVICE ESTIMATES—Class I.

Vote 3.—Public Buildings, Great Britain—*continued.*

Chairman—continued.

certainly think that it gives a better idea of the total cost to the public of the service for Buildings, if the furniture and the maintenance of them are put in one Vote than if they are put in two Votes. And as, in the present instance, both Votes have always been administered by the same Department, there is no administrative or financial inconvenience in grouping them into one Vote.

1210. Then, with respect to the Houses of Parliament, that is a Vote in which the House of Commons has always taken a considerable interest; what is your reason for amalgamating that with those other two Votes?—That amalgamation was proposed as part of an attempt to group the Building Votes in the same way as the Votes for Salaries and other expenses of the Public Services are grouped in the subsequent Classes of the Estimates; the object being that there should be one Vote for the Buildings for offices provided for in Class II., another Vote for those provided for in Class III., and another Vote for those provided for in Class IV. It has not been found possible at present to carry out that idea with any approach to perfection; but this was intended as a step in that direction.

1211. Unless there were some permanent undertaking under which it was impossible to use the money voted for the Houses of Parliament for other purposes, this change would give a freedom of transfer of money voted by the House of Commons, for the purpose of being used on the Houses of Parliament, to be used for any other public buildings?—Yes, for any other public buildings comprised within the general heading.

1212. Subject always to the approval of the Treasury being obtained?—Yes, unless some special arrangement were made.

Mr. *Jackson.*

1213. And subject always to the Report of the Comptroller and Auditor General?—Yes, subject always to the fact that the Comptroller and Auditor General can and would call attention to such a transfer.

Chairman.

1214. (To Sir *C. L. Ryan.*) Have you anything to say with respect to this amalgamation; in the first place as regards the adding of "Public Buildings" and "Furniture of Public Offices" together?—I think the inclusion of the Furniture Vote was distinctly an improvement; for I think it was misleading, as Mr. Spring-Rice has explained, as it stood before; because it did not represent the whole of the furniture, or anything like it. As regards the grouping of the Houses of Parliament Vote, I think that is a question for the House of Commons rather than for me. I personally see no objection to it.

Mr. *Jackson.*

1215. It is rather following, is it not, what has been the desire expressed by the House of Commons

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CIVIL SERVICE ESTIMATES—Class I.

Vote 3.—Public Buildings, Great Britain—*continued.*

Mr. *Jackson*—continued.

Commons in recent years, and which has been given effect to by stating on the face of the Estimates the amount of expenditure for a particular Department which is borne upon other Votes; that is to say, it goes in the direction of bringing together in one sum total the total for Public Buildings, does it not?—Yes. But that is not sufficiently fully carried out to have very much weight in my mind. If it had been possible to put all the Public Buildings under one Vote, that argument would have been an important one; but as it now stands, having regard to the exceptions that are made, I should not attach much importance to that argument.

Sir *John Lubbock.*

1216. But you would not question the right of the Treasury, I presume, to make a transfer from one of those Sub-Heads to another?—Certainly not.

1217. Therefore, practically, there would be no force, would there, in the remark that you might call attention to such a transfer?—I think that there is force in the fact that Parliament is informed of the fact afterwards, and that this Committee could take exception to the act of the Treasury if they chose to do so. A thing might be done by the act of a Department without any certainty that what they have done should become public; but it is a different case if what they have done must become public, and, consequently, can be subjected to scrutiny hereafter; I think there is force in that distinction; although it is, of course, a perfectly legal act upon the part of the Treasury.

1218. Has this Committee ever questioned the fact that such a transfer made by the Treasury is within its legal rights?—I am not aware that they have hitherto; but I think it is very likely they would after a change of this sort; because a change of this sort is understood to be made subject to publicity being given hereafter as to the way in which the Treasury have acted.

1219. At any rate, up to the present time, no transfer of that kind has been questioned by this Committee, so far as you know?—I cannot recall any instance.

1220. (To Mr. *Spring-Rice.*) Is there any reason why the Houses of Parliament should be coupled with Public Buildings under this third heading, Public Buildings, Great Britain, rather than with some of the many other public buildings which follow in the same class?—The reason is because Vote 3 is intended (although, as I have said, it does not succeed in doing so at present) to represent the cost of buildings for offices and departments, the salaries and expenses of which are provided for in Class II.; the House of Commons and the House of Lords Staff, for instance, are voted in Class II. Vote 5 again, for instance, corresponds roughly with Class III., and Vote 6 corresponds roughly with

CIVIL SERVICE ESTIMATES—Class I.

Vote 3.—Public Buildings, Great Britain—*continued.*

Sir *John Lubbock*—continued.

Class IV.; Vote 7 with Class V.; and Vote 8 with the Revenue Departments, which form a separate class.

Mr. *Arthur O'Connor.*

1221. As I understand, you would reduce the Building Votes to something like half a dozen eventually?—Yes, the ordinary Building Votes. The honourable Member will observe that the Admiralty building, which is a large and special work, is kept out, and there are other items after Vote 8 which are rather works than buildings, and which it would never be proposed to carry into the ordinary Building Vote.

1222. That would make five Votes for the different classes of buildings, *plus* one for the Admiralty and one for the War Office; that would make seven altogether for buildings in Great Britain, would it not?—We have now, you may say, five ordinary ones, and one special one, namely, the Admiralty New Buildings.

1223. You would bring down a class which once numbered from 26 to 30 Votes to seven or eight Votes, would you not?—Not at all; I am not aware of any proposal to reduce the number of Votes in Class I. below 14, at which it now stands, except when a Grant like the Caledonian Canal ceases, when that Vote will drop of its own accord, and, on the other hand, in the meantime some new special item might, and probably would arise, requiring a special Vote.

1224. I understood you to say that the guiding idea of the Treasury was, that they should ultimately reduce all the Building Votes relating to, say, Class II. into one Vote, and all the Building Votes relating to Class III. into another Vote?—They are so grouped now, only the adjustment is not complete as between class and class.

1225. The Revenue Buildings would be all under another Vote, as I understand?—Yes, and they are so now.

1226. The War Office would be under another Vote, and the Admiralty under another Vote, and you would ultimately get only about seven Votes, as I reckon; supposing you group half-a-dozen of these Votes together, would your distribution in Part II. (that is to say, the Sub-Heads) remain the same as in the past for Appropriation purposes?—The Sub-Heads at present stand (and I have no reason to suppose that this will be altered) as they stood in the separate Votes of last year; and the Comptroller and Auditor General will audit, not on behalf of Parliament but on behalf of the Treasury, speaking roughly, with regard to the Sub-Heads as presented in the Estimates.

Mr. *Jackson.*

1227. And as hitherto presented?—And as hitherto presented. When I say "on behalf of the Treasury," I mean that the Sub-Heads can be exceeded without Parliamentary sanction, as

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CIVIL SERVICE ESTIMATES—Class I.

Vote 3.—Public Buildings, Great Britain—*continued.*

Mr *Jackson*—continued.

is admitted. (Sir *C. L. Ryan.*) That is so, but I should not ascribe it as an audit on behalf of the Treasury, because I look upon these Sub-Heads as practically Parliamentary Appropriations. (Mr. *Spring-Rice.*) The expression, "on behalf of the Treasury," was, no doubt, inexact, if used without qualification.

Mr. *Arthur O'Connor.*

1228. At present you have a distribution of each particular Vote into three parts; there is Part I., which in a summary way gives the whole amount to be voted; then there is Part II., which distributes the Vote under Sub-Heads?—Yes.

1229. Then there is Part III., which sets forth in very great detail in certain cases the particular Services which are expected to be met?—Yes.

1230. (To Sir *C. L. Ryan.*) I presume the Comptroller and Auditor General does not trouble himself about the mere details in Part III., but his Appropriation goes to the distribution of Sub-Heads under Part II.?—I do not think that that would be quite a correct statement. I should, of course, look first of all to the Vote; I should also look to the sums appropriated under each separate Sub-Head as the special Parliamentary Appropriation; for I look upon it as a Parliamentary Appropriation, and I report it to Parliament because I consider it to be a Parliamentary Appropriation. With regard to the third part, if I found any special Appropriation I should consider that that was also a Parliamentary Appropriation. If Parliament is distinctly told in the explanation given in the third part of the Estimates that a particular sum is going to be spent upon a particular building, that is an Appropriation which I should follow.

1231. Clearly, that would be so, if there is anything to indicate that there is a special Appropriation?—Quite so.

1232. But, generally speaking, would not your audit for Appropriation purposes be an audit of the Appropriation of the Sub-Heads in Part II.—Yes; because, as I have explained before, in the great number of these cases the accounts are not separately made up so that they can be separately followed in Part III. There must be an obligation to make up the accounts so as to show the items in Part III., and that obligation does not follow unless there is some separate Appropriation, or a Treasury direction that the particular sum spent upon a particular Service, such as copyists, is made up so as to enable me to follow it.

1233. (To Mr. *Spring-Rice.*) Will the Votes with your new grouping show the distribution in Sub-Heads, as it has been shown in the past, for each particular Vote?—Yes. If the honourable Member will look at the Vote, of which we are now speaking, Vote 3, he will see that the Sub-Heads remain as many as they were before; and, therefore, that account, as rendered to the Comptroller and Auditor General, will show as many Sub-Heads as the three separate Accounts did

CIVIL SERVICE ESTIMATES—Class I.

Vote 3.—Public Buildings, Great Britain—*continued.*

Mr. *Arthur O'Connor*—continued.

between them; and, therefore, he will be able to report to Parliament any excesses upon those Sub-Heads. What I meant by saying that he examined them on behalf of the Treasury was, that there is power to exceed those Sub-Heads without going to Parliament.

1234. He will have all the materials he had in the past as regards the Appropriation under Sub-Heads for each particular Vote?—Yes.

1235. Would you put the old Votes into the position of Sub-Heads in Part II. of the new Vote?—We put them into the position of Sub-Heads of Part II., but not into the position of the details of Part III.

1236. It appears to me that the great danger is this: if, instead of taking the Votes separately as they are taken now with a distribution into Sub-Heads in Part II., you take a larger Vote which really covers half-a-dozen old Votes, you relegate what used to be independent Votes to the position of Sub-Heads under Part II.; you get rid of what used to be the Sub-Heads of each particular Vote by relegating them to what would correspond with Part III., as to which the Comptroller and Auditor General does not make such a special report?—I think the honourable Member is mistaken in thinking that as a consequence of these changes any Sub-Head will disappear. Supposing there were one thousand Sub-Heads in the Estimates for 1889-90, there will be one thousand Sub-Heads in the Estimates for 1890-91. They will be divided among fewer Votes, but the number of Sub-Heads will be the same. That is illustrated by Vote 3.

Mr. *Jackson.*

1237. The Sub-Heads which appeared in last year's Estimates have been transferred bodily, as it were, into the Estimates as they are now presented?—Yes, they have been transferred bodily.

1238. And their separate items are preserved?—Yes.

Mr. *Donald Crawford.*

1239. Supposing you take two old Votes which now become one new Vote, the Sub-Heads under each of the old Votes might be identical; that is to say, supposing you took the Houses of Parliament and other Public Buildings you might have a Sub-Head for the Houses of Parliament the name of which was exactly the same as the name of a Sub-Head in "Other Public Buildings." What I want to know is when those two Votes become one Vote, would those identical Sub-Heads be merged with each other or not; should we see what was applicable under the Sub-Head to the Houses of Parliament and also to other Public Buildings, or would it become only one Sub-Head?—They remain separate Sub-Heads. If the honourable Member will look at Sub-Heads A. and M. of this Vote he will see that that danger is obviated.

1240. (To

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CIVIL SERVICE ESTIMATES—Class I.

Vote 3.—Public Buildings, Great Britain—*continued.*

Mr. *Wodehouse.*

1240. (To Sir *C. L. Ryan.*) Every case in which the Treasury exercised its power of sanctioning the transfer from one Sub-Head to another is noticed in your Report, is it not?—Such cases have hitherto been noticed, not because the Treasury exercised the power, but because there was an excess, that is to say, the statement laid before Parliament had not been followed.

1241. Under the new system the same reason will apply to call for your notice in future, will it not?—Certainly; the same system will be followed in the future which has been followed in the past.

Chairman.

1242. But I think you have already stated that the Committee does not often take notice of a simple transfer from one Sub-Head to another, if it is done with Treasury sanction?—The Committee has hardly ever noticed such a case unless it has been for want of Treasury sanction.

Mr. *Wodehouse.*

1243. With regard to the answer which you gave to the Chairman, I presume the power of this Committee to criticise, and if necessary to find fault with, the exercise of this power by the Treasury is undoubted?—I think there is no doubt whatever that this Committee could call upon the Treasury for an explanation of the reason which had governed them in exercising such a power, inasmuch as the Committee can consider whether or not the statement laid by the Department before the House has been followed or not, and if it has not they can inquire why not.

1244. Therefore the action of the Treasury is as much open to criticism in that matter as that of any other Department?—Of course it is a very much more venial offence, if I may use the word "offence" at all, to exceed a Sub-Head than it is to exceed a Vote. The case of an excess upon a Vote, which requires the subsequent sanction of the House by voting the excess, is a much more serious affair, and the Committee would consider that much more seriously, I presume, than they would the transfer from one Sub-Head to another in future.

1245. Does not the fact that this Committee have never called in question the power of the Treasury to transfer money from one Sub-Head to another lead to the presumption that in the past the Treasury has exercised that power well?—I think that the Committee has in the past considered it to be completely within the functions of the Treasury to authorise these transfers from Sub-Heads. The Sub-Heads are, many of them, very minute, and if that power was not freely exercised it would lead to very great inconvenience in administration, and with the extensive subdivision of Votes that now exists, there has arisen, I think, hardly any case in which it was desirable that this Committee should inquire into the matter.

CIVIL SERVICE ESTIMATES—Class I.

Vote 3.—Public Buildings, Great Britain—*continued.*

Mr. *Wodehouse*—continued.

1246. But in future the power of the Treasury will be enlarged, and therefore there might be greater need for scrutinising the exercise of the power?—The greater the freedom of grouping, the more reason there might be for questioning an excess upon a Sub-Head.

Sir *Richard Temple.*

1247. On the whole does this re-arrangement of the Votes, in your opinion, interfere with your functions?—No, certainly not.

1248. Does it, in your opinion, at all interfere with the proper control of Parliament, or of this Committee on behalf of Parliament, over the expenditure of public money?—It is hardly for me to express an opinion upon that point; but it is clear that it does give the Treasury a greater power, supposing this change is carried out without any restriction, than it had before.

1249. Would the action of the Treasury be at all withdrawn from the cognizance of this Committee by this arrangement?—It would not be withdrawn because the knowledge will be still there, but it will be an act of a different kind.

1250 Then to some extent the control is lessened, you think?—Yes, certainly.

1251. Is it lessened to a considerable extent, do you think?—To the extent to which the grouping is carried.

Mr. *Jackson.*

1252. You have no sort of figure, I presume, to show the extent to which the power of transferring from Sub-Heads is exercised, or becomes necessary to be exercised?—The power is exercised very frequently indeed; it has become in some cases with the Treasury almost a formal matter. A Department at the end of the year sends up a list of cases in which it has exceeded the Sub-Heads, stating the reasons why it has done so, and the Treasury gives its sanction. That power is almost inherent in the sub-division of the Estimates, and an attempt to make the rule stricter than it is now would lead to departmental inconvenience, without any sufficient gain, in my opinion.

1253. I may put it almost as high as this, may I not, that it is really impossible accurately to forecast for every Sub-Head the expenditure which may be required in the course of the year?—I think if I may speak from experience, the majority of the Departments find it necessary to have some transfers every year.

1254. (To Mr. *Spring-Rice.*) Have you looked into the question as to the extent to which transfers are made?—The matte has been looked into at the Treasury to a certain extent for one year, and I might perhaps read the figures for that year as an illustration.

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CIVIL SERVICE ESTIMATES—Class I.

Vote 3.—Public Buildings, Great Britain—*continued.*

Mr. *Jackson*—continued.

illustration. The year taken is 1888-89; the total number of Sub-Heads in the Civil Service Estimates, as shown in the Appropriation Accounts, was 1,142. Out of those, the expenditure exceeded the estimate on 290, that is, in the case of about one-quarter of them. That includes, I should say, new Sub-Heads opened with Treasury sanction after the Estimates had been presented to Parliament which (as the Comptroller and Auditor General will bear me out) is of frequent occurrence. The gross total amount of savings on those Sub-Heads was 504,667 *l.*, and the total amount of excesses which were met by these transfers out of savings on other Sub-Heads was 126,841 *l.*; which again is about one-quarter.

1255. I suppose one effect of amalgamating the Votes, or throwing the Votes together, would be that possibly the total sum taken in the Vote might be less?—Yes, we should certainly feel justified in cutting down what has been before called the margin on Votes more where the total Vote is larger, because the unforeseen savings and unforeseen excesses are much more likely in a general way to balance each other on a large Vote than on a small one.

1256. Unforeseen excesses may happen upon every separate Vote, I presume?—Yes, that is one of the disadvantages of small Votes; quite a small unforeseen sum is sufficient to throw a small vote into deficiency. A Paper came before me a day or two ago in which it appeared that one small Vote, which is now proposed to be thrown into a larger Vote, has fallen into excess to the amount of 8 *l.* in the accounts of 1889-90. It was thought in February that there would be a saving of 30 *l.* on the Vote, but now it is found that there is an excess of 8 *l.* Of course it is a very trifling amount, but I mention it as an illustration of how a small amount may throw these little Votes into a deficiency.

Mr. *Arthur O'Connor.*

1257. How do you reconcile what you said just now with regard to cutting down the margin on the Votes with the undertaking on the part of the Treasury not to appropriate the surplus on one sub-total to meet a deficit on another sub-total?—If that undertaking were made universal of course the two statements would be antagonistic; but as I understand the undertaking has not been extended beyond the present year, and to that extent what I have said would not apply.

Mr. *Jackson.*

1258. My question, of course, had reference to what the general tendency that there would be supposing the total number of Votes were reduced?—Quite so; and I answered it as a general question without reference to this special change.

CIVIL SERVICE ESTIMATES—Class I.

On VOTE 5.

MISCELLANEOUS LEGAL BUILDINGS, GREAT BRITAIN.

Chairman.

1259. (To Mr. *Spring-Rice.*) The next Vote in which there is an amalgamation is No. 5; it appears that three old Votes, viz., County Court Buildings, Metropolitan Police Courts, and Sheriff Court Houses, Scotland, have been amalgamated; will you kindly explain the reason why that is so?—Those are three former Votes which distinctly referred to services, the other expenses of which were provided for in Class III. They are all Legal Departments. To that extent it is part of the general proposals for grouping the Building Votes which I have already described. Taking those Votes as they stand, there seemed no particular reason for setting out County Court Buildings separately; they are not very considerable in amount, and are not very important in character. The historical reason for their being a separate Vote was, that they used to be voted with the salaries in Class III., and on a re-arrangement of the Estimates made about 1870, they were transferred, and properly transferred, to Class I.

Mr. *Donald Crawford.*

1260. Under what head do the other Court Houses come, such as the Supreme Courts in London?—They are still under Vote 3, Public Buildings, Great Britain, as they have always been.

1261. When you are about it, do you think that there is any advantage considering that these are Legal Buildings, and not of first-class importance in keeping up a separate Vote for them as is now proposed; considering that you have the buildings of the Superior Courts under Public Buildings generally, which is a much more miscellaneous head, why should not you put the buildings of the small courts under that head?—That would be a still further reduction in the number of Votes. I think the Departmental tendency would be rather to remove the Legal Buildings from Vote 3, and so make Vote 5 cover the whole of the cost of Legal Buildings.

1262. Is it quite easy to defend the proposed present classification in this respect; you have under Vote 3 as proposed buildings generally, including even the Houses of Parliament, and you have Court Houses, and then you make a separate head in Vote 5 for small Court Houses; is it not worth considering whether you ought not either to make those all one Vote under Vote 3, or else, as you propose now, to remove them out of Vote 3 and put them into Vote 5?—Yes; that appears to be a matter for consideration.

Sir *Richard Temple.*

1263. If you have a heading of Public Buildings, Great Britain, are not miscellaneous legal buildings public buildings; and are not Revenue Department

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CIVIL SERVICE ESTIMATES—Class I.

Vote 5.—Miscellaneous Legal Buildings, Great Britain—*continued.*

Sir *Richard Temple*—continued.

Department Buildings public buildings; and if so, you never get any idea of what public buildings cost the country, seeing that they are divided into three heads?—That remark applies to the Estimates before their re-classification just as much as now.

Mr. *Arthur O'Connor.*

1264. I observe you are going to have one Vote for all the Public Buildings in Ireland; why could not you have one Vote for all the public buildings in Great Britain, or for all the public buildings in the United Kingdom, in which case you would have a very large margin of economy, according to the view you were putting just now?—If I may take the honourable Member's questions separately, I may say there would be great objection to having the buildings for Great Britain and the buildings for Ireland in one Vote, because they are accounted for and administered by different Departments. Subject to that, if the House of Commons thought it desirable to vote all the public buildings in Great Britain in one vote, of course there is no departmental objection to it, and we should then undoubtedly feel safer in cutting down the total of the Estimates.

Sir *Richard Temple.*

1265. Could you not simplify the classification of public buildings; as I understand, all the buildings included in No. 3, "Public Buildings," and in No. 5, "Miscellaneous Legal Buildings," and in No. 8, "Revenue Department Buildings," are all public buildings in the strictest sense of the term?—We should be glad to have any suggestion as to an improvement in the title to Vote 3. It has always been called "Public Buildings," but the title is capable of being improved.

1266. The Revenue Department Buildings are public buildings, are they not?—Yes.

1267. And so are legal buildings, are they not?—Yes.

1268. What does "Miscellaneous Legal Buildings" in Vote 5 mean?—It is defined at page 27 of the Estimates.

1269. Where do the "Law Courts" come?—At present they come under Vote 3.

1270. Under "Public Buildings, Great Britain"?—Yes.

1271. Should not the old Vote 9, "County Court Buildings," and Votes 10 and 11, go with Vote 3, "Public Buildings, Great Britain," in the new classification?—That would be a still further reduction in the number of the Votes. You might, as I say, either still further diminish the number of the Votes, or you might make the classification more logical by putting the legal buildings in one Vote, and all the Lay buildings, if I may call them so, together in the old Public Buildings Vote.

CIVIL SERVICE ESTIMATES—Class I.

Vote 5.—Miscellaneous Legal Buildings, Great Britain—*continued.*

Sir *John Lubbock.*

1272. Would it not be the best plan to leave the Houses of Parliament as a seperate Vote, seeing that it is an item of very considerable amount, and then at the end of Public Buildings to have one heading "Other Public Buildings," which would speak for itself, because you would have dealt with the principal public buildings, and you would then place together the other public buildings of a small character?—I understand the suggestion of the right honourable Member to be to take out the Houses of Parliament from Vote 3 and leave the rest of Vote 3 as ordinary and general public buildings.

1273. I would rather at the end of Vote 13 as it stands at present have one item for "Other Public Buildings;" what would be your opinion as to that?—That again is another proposal worthy of consideration.

1274. You do not see any objection to that?—No. There is no objection, if I may so generally, from the departmental point of view to any grouping of Votes which are accounted for and administered by one department. These are all Votes which the Office of Works accounts for; and they are all Votes about buildings, and therefore properly in Class I; and the distribution of those Votes in one or two or 10 Votes is really a matter of taste, I may say.

1275. *Primâ facie* the most clear way of dealing with it would be, would it not, to have separate Votes for the principal public buildings, and to place the remainder under a heading that might be called "Other Public Buildings"?—It might be difficult to define what the principal public buildings are.

1276. What I mean is to leave these Votes as they are as being the principal public buildings; that is to say, Royal Palaces, Royal Parks, and so on, Admiralty, Legal Buildings, Art and Science Buildings, Diplomatic and Consular Buildings, Revenue Department Buildings, Surveys of the United Kingdom, Harbours and Lighthouses, Peterhead Harbour, Caledonian Canal, and Rates on Government Property; and then to have a heading "Other Public Buildings?—That as I understand it would be very much like retaining Vote 3 as it stands without the Houses of Parliament in it.

1277. No, I think not, because there is the question of furniture?—We should contend that the furniture ought to go in the Vote with its own building, and that, however you distribute the Maintenance Charges, you should distribute the Furniture Charges in the same manner.

1278. As the Vote stands it seems to me to be misleading; anyone quoting from this Vote would say that the Public Buildings under the Estimates cost so much, whereas that is not the case at all; for Vote 3 only represents one small part of the Public Buildings?—We have been trying to get a suitable title for that Vote. I do not know whether it could be called general or ordinary Public Buildings.

1279. What

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CIVIL SERVICE ESTIMATES—Class I.

Vote 5.—Miscellaneous Legal Buildings, Great Britain—*continued.*

Mr. *Arthur O'Connor.*

1279. What is the object of all this shuffling of the Votes; why could not they have been left alone?—As regards these Works Votes there was no immediate necessity for dealing with them except the general feeling that we ought from time to time to look over our accounts and affairs, and see whether we could improve them. That remark, however, only applies to the Building Votes, because many of the other Votes required dealing with for one reason or another.

1280. As regards this class, I understand there is no particular reason why there should be any alteration, looking at it from an account or departmental point of view; I do not say anything about the House of Commons point of view?—The only thing among these Votes which, as I say, urgently required alteration, was the Vote for Furniture, which I certainly think ought to have been thrown into the Vote for Building.

1281. That being conceded, you have no particular reasons for advocating any other change, as I understand?—Except that I think we should be glad to see a more logical naming of the Votes than there has been hitherto. The numerical order of the Votes required re-arrangement; the Revenue Department Buildings came up among the Legal and Scientific Buildings.

1282. Was there any practical inconvenience?—No, except for purposes of reference.

Mr. *Webb.*

1283. Is the expenditure on Scotch Public Buildings administered by the same body as the other Public Buildings of Great Britain?—Yes; Public Buildings in Scotland are administered by the First Commissioner of Works, just as in England.

On VOTE 6.

ART AND SCIENCE BUILDINGS, GREAT BRITAIN.

Chairman.

1284. (To Mr. *Spring-Rice.*) With regard to the Art and Science Buildings, Great Britain, which comprises the old Votes for the Science and Art Department Buildings and British Museum Buildings, have you any reason to state for making that amalgamation?—That again is with a view of taking the first step towards bringing into one Vote the cost of the Buildings for Services provided for in Class IV. of the Estimates.

On VOTE 10.

HARBOURS AND LIGHTHOUSES ABROAD (BOARD OF TRADE).

Chairman.

1285. This Vote comprises an old Vote for Harbours under the Board of Trade and the Vote for Lighthouses Abroad; would you state any reason for this amalgamation?—Those two former Votes for Harbours and Lighthouses related to the Harbours and Lighthouses which are in charge of the Board of Trade. Both of those Votes were accounted for by the Board of Trade, and both of them were rather of a miscellaneous character, though they are both of the nature of public works; and there seemed to be no reason why they should not be thrown into one, which, moreover, would be a convenience for the Board of Trade.

CIVIL SERVICE ESTIMATES—Class I.

Vote 10.—Harbours and Lighthouses Abroad, &c.—*continued.*

Chairman—continued.

On VOTE 13.

RATES ON GOVERNMENT PROPERTY (UNITED KINGDOM).

Chairman.

1286. (To Mr. *Spring-Rice.*) With respect to this Vote, I see that it is proposed to amalgamate the Vote for the Metropolitan Fire Brigade and the Vote for Rates on Government Property, United Kingdom; is it the same Accounting Officer for the Metropolitan Fire Brigade?—No; the Metropolitan Fire Brigade has up to this year been accounted for by the Office of Works. Of course this is only a formal matter of account, because it is a grant in aid. The Vote for Rates on Government Property Vote used to be accounted for by the Office of Works, but for some years it has been accounted for by the Treasury. The object of throwing the two together is to show the real contribution which the Government makes to Local Rates, the fact being that the contribution which the Government makes to the Metropolitan Fire Brigade is simply and solely a contribution towards the rates of the metropolis made under Statute.

Mr. *Arthur O'Connor.*

1287. Would not the same argument apply to the Metropolitan Police Courts?—It is not a contribution there, because the Government pays the whole cost; they are Government buildings. The Government have no voice in the administration of the Fire Brigade, and get no benefit out of it beyond that which any private person gets.

1288. Do not County Court Buildings stand in the same position?—The County Court Buildings are entirely Government property.

1289. I see you have the whole of the rates on Government property in the United Kingdom in one Vote, but you have the Public Works and Buildings, Ireland, under a separate Vote?—Yes, the Treasury account for the rates over the whole of the United Kingdom; but the honourable Member will see on turning to the Estimates that there is a separate Sub-Head for the rates in Ireland.

1290. With

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CIVIL SERVICE ESTIMATES—Class I.

Vote 13.—Rates on Government Property (United Kingdom)—*continued.*

Mr. *Donald Crawford.*

1290. With regard to the contribution to the Metropolitan Fire Brigade, is that over and above the rates on Government property that are paid in respect of the metropolis; taking the old Vote 20, does the Exchequer pay rates on Government property in the metropolis in the same way as it does in all other parts of the kingdom?—Yes; it pays on the same principles, and there is included in the rates paid in London the halfpenny rate for the fire brigade just like any other rate.

1291. That, however, is additional, as I understand, to what it pays in all other parts of the kingdom?—It pays the fire brigade rate here as it would do in Liverpool, if there is one there. It pays on the same basis in London as at Liverpool; that is to say, it pays a poundage rate including the cost of the fire brigade, if there is a fire brigade in Liverpool.

1292. Why is the fire brigade rating in London distinguished from the fire brigade rating in Liverpool?—Because the special Act of Parliament in 1865, before Parliament contributed to the rates in the way it does, put upon the Government a burden of 10,000 *l.* a year as a special contribution to the Metropolitan Fire Brigade; and that contribution has been paid ever since.

Chairman.

1293. This is a survival, as I understand; it is a payment under statute?—Yes.

Mr. *Donald Crawford.*

1294. There are rates levied upon property, and the Government pay upon their property, just as though it were private property, *ex gratiâ;* but how does that principle apply to the Liverpool Fire Brigade, there being no statute there?—If the Government property is valued at so much and a rate of 2*s.* in the pound is struck for Liverpool, which rate includes the cost for the fire brigade, supposing it to be administered by the corporation, the Government would pay 2 *s.* in the pound on its valuation *ex gratiâ.* The same is the case in London, only that in addition we have to pay 10,000 *l.* a year, under the Act of 1865.

Mr. *Jackson.*

1295. In fact, a contribution would be made to the expenses of the fire brigade in all cases where the expenses of the fire brigade were borne out of the rates?—Yes; an ordinary contribution would be made, but nothing corresponding to this 10,000 *l.*

On VOTE 14.

PUBLIC WORKS AND BUILDINGS (IRELAND).

Chairman.

1296. (To Mr. *Spring-Rice.*) I think the Science and Art Buildings, Dublin, was a comparatively new Vote, was it not?—Yes; it was only started a few years ago to meet the special case of the large new museum that is being built there. That museum is now practically finished, and the Vote would have lapsed under any circumstances without reference to these changes in the Estimates. The ordinary cost of maintenance of the museum will be included in the general Vote for Public Works and Buildings, Ireland, just as the cost of maintenance of the building which that museum replaces was included.

CIVIL SERVICE ESTIMATES—Class I.

Vote 14.—Public Works and Buildings (Ireland)—*continued.*

Chairman—continued.

1297. Does that account for the fact that you have not put down the cost of maintenance as a separate Sub-Head, the details being distributed over the Vote?—Yes.

Mr. *Arthur O'Connor.*

1298. If you include general public works in Ireland under the general Vote for Public Works and Buildings, Ireland, why do you not also include public works in England in one Public Works and Buildings, Great Britain, Vote?—It is not logical to make the distinction, but it is a question of degree. The whole Vote for Irish Buildings, which shows a considerable increase this year, is only 272,000 *l.*; the Vote for Public Buildings, Great Britain, is alone 195,000 *l.*, and if you added the Art and Science Buildings, and one or two others which would follow upon the same process of reasoning, such as that for the Revenue Departments, you would get a very large Vote, larger than it might perhaps be held proper to give to the Executive Government the power of spending.

1299. In spite of what you have said about the margin of economy?—If Parliament chose to let the Executive Government have a larger Vote the Treasury would be able to recommend great reductions with reasonable prospects of safety.

1300. Possibly that may be an improvement to be made some years hence?—I should not like to predict.

Chairman.

1301. (To Sir *C. L. Ryan.*) Have you anything you wish to say with regard to Class I.?—No.

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

On VOTE 3.

TREASURY AND SUBORDINATE DEPARTMENTS.

Chairman.

1302. (To Mr. *Spring-Rice.*) This Vote comprises three old Votes of Class II., namely, the Treasury, the Pay Office, and part of the Exchequer (Scotland) Vote; and it also comprises two Votes from other Classes, namely, the Teachers' Pension Office, Ireland, and the Suez Canal Directors; will you kindly explain, first with regard to the Pay Office Vote, why the amalgamation

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CIVIL SERVICE ESTIMATES—Class II.

Vote 3.—Treasury and Subordinate Departments—*continued.*

Chairman—continued.

amalgamation is made?—The Pay Office has been for a good many years little more than a Department for doing certain account work entirely under Treasury directions, and a recent Act has still further reduced its functions by making an arrangement under which some of them will be transferred to the Bank of England. The Department has not been for many years what would be generally called an important one; its duties, though requiring great care, do not involve much exercise of discretion, and this recent Act will still further reduce its importance. It therefore seemed right to reflect that state of facts by bringing it under the Treasury in the same way as the Board of Trade and the Home Office have long ago had their subordinate Departments accounted for in the same Vote as themselves.

1303. Who has accounted for the Pay Office Vote?—The permanent head of the Pay Office.

1304. Who has accounted for the Exchequer (Scotland) Vote?—The head of that Office, who is the Treasury officer in Scotland.

1305. Will those officers continue to account for some other Votes, such, for instance, as Superannuations in England, and Law Charges (Scotland)?—Yes.

1306. But they will be sub-accountants, as I understand, as regards the expenditure of their own particular Department under the Treasury?—Yes.

1307. Is not that rather anomalous?—It might be regarded as anomalous; it is not quite unprecedented.

1308. Do you think that on the whole it would be convenient to treat the Pay Office and the Exchequer (Scotland) Votes as subordinate to the Treasury?—The Treasury Officers of Accounts looked into the matter before the change was adopted, and they see no difficulty in carrying it out. I may mention that the provisions for these two Votes proposed to be dealt with are almost entirely salaries. The process of accounting for them is quite simple.

1309. Then with regard to the Teachers' Pension Office (Ireland) Vote; why has that been included here?—That also is a purely financial office. It is an office to administer a fund of which the State is trustee; it has to administer it on purely financial principles, and the Office consists of only two or three clerks with an actuary over them.

Mr. *Arthur O'Connor.*

1310. The principle being that a War Office clerk from Pall Mall administers this Office, which is supposed to be in Ireland; is not that so?—I am now hardly in a position to go into the administration of that Office, but I do not think it could be admitted that it is administered by the War Office official to whom the honourable Member apparently refers. He is more in

CIVIL SERVICE ESTIMATES—Class II.

Vote 3.—Treasury and Subordinate Departments—*continued.*

Mr. *Arthur O'Connor*—continued.

the position of a consulting officer; he is an actuary. The book-keeping is done on the spot under Treasury direction, and is supervised more or less by the Treasury special officer in Ireland.

Mr. *Jackson.*

1311. The total expenditure is only 1,500*l.* a year, I believe?—Yes.

Chairman.

1312. With respect to the Suez Canal Directors, what is the reason of the amalgamation?—The Suez Canal Directors Vote has always been accounted for by the Treasury, and therefore there is no change in the accounting. It consists of nothing but salaries, and a little for travelling expenses. When the official Suez Canal directors were first appointed they were, I think, the sole representatives of this country, as a country, in the management of that undertaking, and their functions were of a very important character; but now there is a board, I believe, and there are representatives of English commercial interests on the directorate of the Suez Canal, and therefore these gentlemen may now be regarded as mainly the financial officers to safeguard the very large prospective interests which the Government has in the Canal.

Mr. *Jackson.*

1313. As a matter of fact, I believe their fees go into the Exchequer, and they practically pay their own expenses?—Yes; their fees cover their expenses.

Chairman.

1314. (To Sir *C. L. Ryan.*) Have you any remark to make upon this Vote?—I think the objection which I should have taken to the change of accounting officers is practically met by the smallness of the Vote; otherwise I think it is inconvenient that the accounting officer should not be the real representative of the Department which administers the Vote.

1315. You would not press that objection, as I understand, in the case of a small sum of money?—No.

Mr. *Jackson.*

1316. Where, practically, the only payments are salaries, would that objection apply?—Any question that arose would still have to go through the Treasury to the Department for settlement.

Mr. *Donald Crawford.*

1317. (To Mr. *Spring-Rice.*) Would you explain more fully why the Exchequer (Scotland) Vote is separated between two accounting officers, and also, what would be left for them to account for after the salaries have passed the Treasury?—What has been done to the old Vote for Exchequer (Scotland) is to divide it into two parts, the first part being for the salaries of the staff, including the Queen's and Lord Treasurer's Remembrancer

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CIVIL SERVICE ESTIMATES—Class II.

Vote 3.—Treasury and Subordinate Departments—*continued.*

Mr. *Donald Crawford*—continued.

Remembrancer and a number of clerks whose business is purely financial; the second part being various miscellaneous charges, familiar to Scotch Members (such as the old hereditary charges, and one or two others), which have been now grouped in Class VII., with corresponding charges for England and Ireland.

On VOTE 8.

BOARD OF TRADE AND SUBORDINATE DEPARTMENTS.

Chairman.

1318. (To Mr. *Spring-Rice.*) I observe that under this Vote the Patent Office is brought into the same Vote as the Board of Trade and Subordinate Departments; I think you have already explained that the Patent Office is practically a subordinate Department of the Board of Trade?—Yes.

1319. That is the reason for its being included in this Vote?—Yes; it used to be a separate Vote in the days when it was not a subordinate Department of the Board of Trade.

1320. It will be still competent to the Committee, will it not, to see the official of the Patent Office and examine him, although the Patent Office is accounted for by the Board of Trade, as it has been in the past?—Yes, it would be still competent for the Committee to do so.

1321. (To Sir *C. L. Ryan.*) Have you any remarks to make upon this point?—No; I should attach importance to the point that you have just raised as to the person who represents this Department before the Public Accounts Committee being the real administrator of the money. I think it is an advantage that he should appear and answer any questions that may be asked, rather than that the information should filter through somebody who does not know the details.

Sir *John Lubbock.*

1322. (To Mr. *Spring-Rice.*) The Vote for the Patent Office is rather a large amount, is it not, to lump into another Vote?—It is about 57,000 *l.* The total for the Board of Trade last year was over 102,000 *l.*, and the inclusion of the Patent Office raises the, total of the Vote to 160,000 *l.*

Mr. *Jackson.*

1323. It is accounted for by the same Minister in the House of Commons, is it not?—Yes, and by the same accounting officer.

Chairman.

1324. I see that, to a very large extent, the expenditure is on salaries?—Yes.

CIVIL SERVICE ESTIMATES—Class II.

On VOTE 10.

BOARD OF AGRICULTURE.

Chairman.

1325. (To Mr. *Spring-Rice.*) This Vote follows on the Act of Parliament of last Session, does it not?—Yes.

1326. This is a change that would have taken place without any general grouping of the Estimates?—Yes.

On VOTE 17.

MERCANTILE MARINE FUND.

Mr. *Arthur O'Connor.*

1327. (To Mr. *Spring-Rice.*) I should like to ask why this Vote is kept as a separate Vote?—It appeared to those who had to consider any rearrangement of the Estimates that, although this Vote was undoubtedly in a sense under the administration of the Board of Trade, it was, to a very considerable extent, different in character from the Patent Office, which is rolled up with the Board of Trade Vote, and that it would be more proper, from a Parliamentary point of view, to keep it as a separate Vote. The honourable Member will remember also that it is a Grant in Aid.

1328. That is what I was coming to; it is only a Grant in Aid?—It is a Grant in Aid of the Mercantile Marine Fund.

1329. I should have thought that was a ground for grouping it as a portion of a Vote rather than making it a separate Vote, if the Votes were being merged at all; it is accounted for by the same accounting officer, is it not?—Yes, by the Board of Trade.

Chairman.

1330. (To Sir *C. L. Ryan.*) Have you anything to say upon that suggestion?—I think for the purposes of my own convenience I should very much prefer that Vote remaining separate. It is an important Vote and requires an important Report. The Mercantile Marine Fund would make the Report inconveniently large if it were connected with the Board of Trade. It has raised very considerable questions of principle, and personally I should prefer its remaining as it is.

1331. Would not the amalgamation be somewhat inconvenient to this Committee?—I think the Committee would consider the two Votes separately better than they could if they were amalgamated.

On VOTE 27.

SECRETARY FOR SCOTLAND.

Chairman.

1332. (To Mr. *Spring-Rice.*) The Vote for the Secretary for Scotland now includes the old Vote which came in Class III., for Inspector of

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CIVIL SERVICE ESTIMATES—Class II.

Vote 27.—Secretary for Scotland—*continued.*

Chairman—continued.

Constabulary, Scotland; I do not see a separate Sub-Head for that in the Vote; but probably you can explain that matter?—Yes; the salary of the Inspector of Constabulary, Scotland, used to be part of the Vote for the Police in Scotland. That Vote disappeared under the Scotch Local Government Act of last Session, and it was necessary to provide for the cost of this officer, which I may say is only 1,100 *l.* He is an officer of the Secretary for Scotland, and apart from these larger changes in the Estimates, the obviously natural course would have been to transfer him to the office of his chief, the Secretary for Scotland, and provide for him in the same way as other inspectors are already provided for there.

1333. In fact, as I observe, it is stated in the Summary under Class III., Scotland, the Vote which used to be 18, "Police, North Britain," disappears under the Local Government (Scotland) Act, 1889?—Yes.

1334. This is the only part of it which remains, and I presume there was no reason, in your opinion, for maintaining this one salary as a separate Sub-Head?—That is so.

On VOTE 32.

LORD LIEUTENANT AND CHIEF SECRETARY.

Chairman.

1335. In this case, in the first place, there has been omitted from the Vote the Office of Arms and Queen's Plates, which are transferred to Class VII. with the object, as I understand, of bringing together a number of items which are of similar character?—That is so. In order of logic or time the first change that was made was to bring together into Class VII. certain charges connected with gifts of honours by the Crown, and also some other items which were previously scattered through two or three different Votes.

1336. Such, for instance, as the Queen's Plates, Office of Arms, and the Vote for the Lord Lyon, Scotland, and items of that sort?—Exactly.

1337. Putting that aside, this change amalgamates the old separate Votes for the Lord Lieutenant's Household and the Chief Secretary's Office, does it not?—Yes; it amalgamates the salaries of the Lord Lieutenant's Household, and officers directly subordinate to the Lord Lieutenant, with the salaries for the Chief Secretary's Office and subordinate Departments.

1338. The question which suggests itself to me is: are those really *pari materia*, and whether the Office of the Chief Secretary is not an office for doing political work, whereas the Lord Lieutenant's Household has more of the Court element?—No doubt there is a courtly element in some of the salaries provided for under the Estimate for the Lord Lieutenant's Household;

CIVIL SERVICE ESTIMATES—Class II.

Vote 32.—Lord Lieutenant and Chief Secretary—*continued.*

Chairman—continued.

but I would submit that the Lord Lieutenant and the Chief Secretary are very intimately connected; in fact quite as intimately connected, I may say, as the First Lord of the Treasury and the Secretary to the Treasury, for the purposes of administration. Every letter which is written from the Office of the Chief Secretary is written by direction of the Lord Lieutenant.

1339. Nominally that may be so; but there might be more force in that answer if the salary of the Lord Lieutenant were not borne upon the Consolidated Fund, which is the case, is it not?—Yes.

1340. This Vote, as I understand, includes salaries for his Household and Vice-Regal Court at Dublin?—Yes; for his Private Secretaries and others attached to his person.

1341. Whereas the Chief Secretary's Office is more like those of other Public Departments in England, is it not?—I do not think it could be admitted without qualification that there was any such broad distinction. The Lord Lieutenant and the Chief Secretary are the two Ministers at the head of the Government in Ireland, in the same way as the Board of Treasury is at the head of the Treasury.

Mr. *Arthur O'Connor.*

1342. There are some things which the Lord Lieutenant must decide personally, are there not?—I believe so.

1343. For instance, such as judging of the legal qualification of magistrates?—I could not speak to that.

Chairman.

1344. (To Sir *C. L. Ryan.*) From your point of view I gather that this is not an important question; it is rather a Parliamentary question?—Yes; it does not affect my work in any way.

CLASS III.

LAW AND JUSTICE.

On VOTE 2.

MISCELLANEOUS LEGAL EXPENSES, ENGLAND AND WALES.

Chairman.

1345. (To Mr. *Spring-Rice.*) I observe that several Votes are brought together under this one Vote; is there any explanation you wish to offer upon this point?—I may, perhaps, observe in the first place that the Vote for Miscellaneous Legal Expenses, England and Wales, in the new Estimates is 59,000 *l.*, whereas the Vote for Criminal Prosecutions, which was the first of those rolled up into the new Vote, was, last year, 96,000 *l.*, and it used to be larger. That great falling off is due to the abolition of the Government

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CIVIL SERVICE ESTIMATES—Class III.

Vote 2.—Miscellaneous Legal Expenses, England and Wales—*continued.*

Chairman—continued.

ment Grant in aid of Criminal Prosecutions. That abolition which was made under the Local Government English Act of 1888, together with some other changes, made it imperatively necessary to deal with the old Criminal Prosecutions Vote, which had become merely a collection of miscellaneous items, and it did not seem suitable to maintain it without alteration.

1346. The whole Vote as amalgamated is not, I believe, a very large one?—No, it is under 60,000 *l.*

Mr. *Jackson.*

1347. And it is all accounted for by the Treasury, is it not?—It is all accounted for by the Treasury, who have always accounted for the separate Votes now combined into it.

On VOTE 3.

SUPREME COURT OF JUDICATURE AND LAND REGISTRY (ENGLAND AND WALES).

Chairman.

1348. (To Mr. *Spring-Rice.*) I observe that this Vote brings together the old Votes for the Supreme Court of Judicature and the Land Registry, which were separate before; there were different Accounting Officers, were there not, for those Votes?—Yes; as has been already mentioned, the Land Registrar used to account for the Vote for his Office. It will be, in future, accounted for by a Financial Officer, called the Assistant Paymaster General for the Supreme Court, who is the head of a large Financial Department. We consider that the change is an administrative advantage.

1349. He already, I suppose, reports for a great many different Courts?—Yes, for a great many of the separate Courts, which are, many of them, separate Votes in the Vote for the Supreme Court of Judicature.

Sir *Walter Barttelot.*

1350. (To Sir *C. L. Ryan.*) I should like to ask one question upon that point. As you are probably aware, there has been a great discussion with regard to the Land Registry Vote; my question is this: now that these two Votes are amalgamated together, could clerks be transferred from one to the other without any notice being taken of the transfer?—If clerks were transferred their salaries would have to be transferred, and with the salaries the Sub-Head would have to be increased. Of course that power exists, but the same observation which I have already made would apply to that, namely, that the increase in a Sub-Head would be brought before Parliament.

1351. But still the transfer could be made from the one to the other, I understand, without breaking any law with regard to that particular Vote?—Certainly, that applies to all the Votes.

CIVIL SERVICE ESTIMATES—Class III.

Vote 3.—Supreme Court of Judicature and Land Registry, England and Wales—*continued.*

Mr. *Arthur O'Connor.*

1352. (To Mr. *Spring-Rice.*) With regard to these two offices, I should like to ask whether it is under the contemplation of the Treasury to merge the staff of the Land Registry with the staff of the Supreme Court of Judicature?—I am not aware that there is any such intention. The Land Registry exists under Acts of Parliament, which make it necessary that it should have a special staff of its own.

1353. The Supreme Court of Judicature is the Vote, is it not, under which a certain number of gentlemen, for whom no work could be provided, were on full pay leave for several years, I believe?—That is the Vote to which the honourable Member alludes.

1354. It is proposed to bracket to that Vote another Vote, the Land Registry Vote, the staff of which may possibly not be overworked?—I do not think it is doubted that the staff of the Land Registry is now fully occupied, whatever may have been the case formerly.

1355. However, the staffs are not going to be merged, I understand?—No administrative change is involved.

On VOTE 7.

PRISONS (ENGLAND AND THE COLONIES).

Mr. *Webb.*

1356. Does England in this Vote include Wales?—Yes, it includes England and Wales.

1357. Should not Wales be put in the heading as it is in Vote 6?—It would be more correct to say England and Wales and the Colonies. The point of the heading as it stands was to show that it included some provisions for some of our prisoners still in the Colonies.

On VOTE 8.

REFORMATORIES (GREAT BRITAIN).

Mr. *Webb.*

1358. Does "Great Britain," in the heading of this Vote, include Scotland?—It does.

On VOTE 10.

LAW CHARGES AND COURTS OF LAW (SCOTLAND).

Chairman.

1359. (To Mr. *Spring Rice.*) I observe that the new Vote for Law Charges and Courts of Law includes two old Votes; would you kindly explain that matter?—One must speak with great caution about Scotch legal matters; but it appeared that many of the Legal Establishments and expenses which were provided for under those two Votes overlapped

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CIVIL SERVICE ESTIMATES—Class III.

Vote 10.—Law Charges and Courts of Law, Scotland—*continued.*

Chairman—continued.

or were closely allied with each other. The two Votes are accounted for by the same officer, and it seemed an advantageous thing to bring them together.

Mr. *Jackson.*

1360. The change was approved by the Lord Advocate, I suppose?—It was approved by the Lord Advocate.

On VOTE 15.

SUPREME COURT OF JUDICATURE, AND OTHER LEGAL DEPARTMENTS (IRELAND).

Chairman.

1361. I observe that a number of Legal Departments, which had four separate Votes, are amalgamated in this new Vote with the Supreme Court of Judicature; there were different accounting officers, were there not, in those cases?—There were.

1362. What will be the alteration; under the new scheme who will account for them in the future?—They will be accounted for by the officer who used to account for the main Vote, namely, that for the Supreme Court; he is the Accountant General of the Supreme Court, is a financial officer, and has a financial staff under him. Previously the four minor legal Votes were accounted for by officers in their Departments, who were not purely or even mainly financial officers, I believe.

Mr. *Jackson.*

1363. Those four Votes are all small things, are they not?—Yes.

Chairman.

1364. (To Sir *C. L. Ryan.*) Have you any remark you wish to make upon this change?—I think it would be rather an improvement.

CLASS IV.

EDUCATION, SCIENCE AND ART.

On VOTE 6.

LEARNED SOCIETIES AND SCIENTIFIC INVESTIGATION, UNITED KINGDOM.

Chairman.

1365. (To Mr. *Spring-Rice.*) I observe that there is a change by which the Learned Societies, the Universities, Scotland (Edinburgh University), and the Royal Irish Academy Votes are all thrown together; will you explain the reason of that?—The object of that was to bring together as fully as might be what is granted out

CIVIL SERVICE ESTIMATES—Class IV.

Vote 6.—Learned Societies and Scientific Investigation, United Kingdom—*continued.*

Chairman—continued.

of the Votes for the general purposes of Learned Societies and scientific investigation. The Vote for Learned Societies was already a considerable Vote. The Government has to maintain the Edinburgh Observatory, under new arrangements, without any reference to the Edinburgh University, and it was therefore almost necessary, and certainly desirable, to separate the Edinburgh Observatory from the Vote for the Scotch Universities. The Grant-in-Aid of the Royal Irish Academy is also a part of the contribution from the taxes towards scientific investigation in the United Kingdom.

1366. I see that the Edinburgh Observatory and the Royal Irish Academy, together only exceed by a small amount 3,000 *l.*?—Yes; the figures are not considerable.

1367. How would this Vote be accounted for?—It will be accounted for by the Treasury. The Treasury always accounted for the Learned Societies Vote. The Edinburgh Observatory was accounted for by our officer in Edinburgh, and administered entirely under Treasury directions. The Irish Academy is a Grant-in-Aid paid quarterly, and therefore raises no practical question of accounting.

Sir *John Lubbock.*

1368. Is not the expression, "Learned Society," rather misleading as a heading. Out of the total grant, which you say is a large one (though I should not have thought myself that 22,000 *l.* was a large amount for such a purpose), how much really goes to scientific societies?—I could hardly answer that question offhand, but the Right honourable Gentleman is probably referring to the fact that the learned societies may be regarded as agents for spending the money, rather than as recipients of the money.

1369. I should have thought there was only 500 *l.* out of the whole amount that went to scientific societies; is not that so?—£. 4,000 goes to the Royal Society. I am aware that they do not benefit pecuniarily by it.

1370. It goes through them; they administer it for the Government; it is not a Grant to them; it is a Grant for scientific investigation; but it is not a grant to a learned society. The next is the Meteorological Council, 15,000 *l.*; that is not a grant to a learned society. Then there is the Royal Geographical Society; there is 2,000 *l.* to the Royal Irish Academy; that is not a Grant to a learned Society, nor is the 500 *l.* to Marine Biological Association of the United Kingdom. That being so, would it not be more correct to alter the style of that Vote; why should it not be called "Scientific Investigation"?—I must confess my sympathies are a great deal with the Right honourable Gentleman, and I am sure that the Treasury would consider the question of the alteration of title.

1371. Does

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CIVIL SERVICE ESTIMATES—Class IV.

Vote 6.—Learned Societies and Scientific Investigation, United Kingdom—*continued.*

Mr. *Arthur O'Connor.*

1371. Does this cover the Vote for Solar Physics Committee?—No; that is a Sub-Head under the Vote for the Science and Art Department; it is administered through that Department and that is the reason for keeping it where it is.

On VOTE 7.

UNIVERSITIES AND COLLEGES (GREAT BRITAIN).

Chairman.

1372. (To Mr. *Spring-Rice.*) I observe that this Vote now includes the Scotch Universities; will you kindly explain why that change has been made?—There was a change made by the Legislature in the form of State assistance to the Scotch Universities, which reduced it from being a very complicated Vote, and a complicated provision elsewhere than upon that Vote, to being a simple quarterly payment of a Grant in aid. The Grant to the Victoria University, and those to the Universities and Colleges in England and Scotland, and the University Colleges in Wales, are all Grants in aid, and are all accounted for by the Treasury. It was therefore a simple change to bring together into one Vote those items which were all Grants in aid, and all State assistance to Universities or University Colleges.

1373. I notice that the change is synchronous with a considerable increase in the Grant to Scotch Universities?—That increase was due to Legislation; the Grant was fixed by Legislation. But it is fair to the Scotch Universities to remind the Committee that the increase is not so great as would appear in this Vote, because certain payments made to them from other sources will now be discontinued.

CLASS V.

FOREIGN AND COLONIAL SERVICES.

On VOTE 1.

DIPLOMATIC AND CONSULAR SERVICES.

Chairman.

1374. (To Mr. *Spring-Rice.*) I observe that in this case two services which no doubt are under one administration and one accounting officer, but which have always formed previously two separate Votes are now thrown together, namely, the Diplomatic and Consular Services; will you explain to the Committee the reason for that change?—It was considered that it represented more truly the facts of the case to take a single Vote for both those services. They are, as the Chairman has said, administered by one

CIVIL SERVICE ESTIMATES—Class V.

Vote 1.—Diplomatic and Consular Services—*continued.*

Chairman—continued.

department, and their duties, although not the same, overlap considerably and are perhaps tending to overlap more. There are a considerable number of cross references between them; that is to say, some officers or some establishments are partly under the head of Diplomatic Services and partly Consular.

1375. It makes a very large Vote I observe?—The Vote no doubt is a considerable one.

1376. It amounts to over 400,000 *l.*?—Yes; but it is by no means the largest Vote.

1377. It is one of the largest in the Civil Service Estimates, is it not?—It is one of the largest but by no means the largest. It is not so large as four Votes in Class IV., nor is it so large as the Superannuation Vote or several others.

1378. (To Sir *C. L. Ryan.*) Have you any objection to offer upon this point?—No.

On VOTE 3.

COLONIAL SERVICES, INCLUDING SOUTH AFRICA.

Chairman.

1379. (To Mr. *Spring-Rice.*) I observe that the Vote for South Africa and St. Helena has been merged in the Vote for Colonial Services; will you explain to the Committee the reason for that change?—The history of the Vote for St. Helena is a very long and complicated one; but to put it briefly the Vote was a survival from an old state of things. Then the new South African charges were added on to it; but there seemed ultimately no reason why the combined Vote for South Africa and St. Helena should be separated from the Vote which used to be called "Colonies, Grants in Aid," which always contained items analogous to the old South African Vote, and quite as miscellaneous in character; for instance, the old Vote for "Colonies, Grants in Aid," contained a provision for the expenditure under the Pacific Islanders Protection Act.

CLASS VI.

NON-EFFECTIVE AND CHARITABLE SERVICES.

On VOTE 6.

HOSPITALS AND CHARITIES (IRELAND).

Chairman.

1380. (To Mr. *Spring-Rice.*) I observe that the only amalgamation in Class VI. is that of the Miscellaneous, Charitable, and other Allowances, Ireland, with Hospitals and Infirmaries, Ireland; is there anything you wish to say about that?—There seemed to be no reason, when the Estimates were being gone through, why those two should form separate Votes any longer.

There

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CIVIL SERVICE ESTIMATES—Class VI.

Vote 6.—Hospitals and Charities, Ireland—*continued.*

Chairman—continued.

There used to be a much larger number of Votes for such services; for instance, a separate Vote for each hospital subsidised. As the Miscellaneous Charities Vote is steadily decreasing, and most of it will ultimately disappear, it seemed suitable to put these Irish Non-Effective Services together.

CIVIL SERVICE ESTIMATES.

CLASS VII.

MISCELLANEOUS.

Chairman.

1381. (To Mr. *Spring-Rice.*) I think you have already explained the changes in this class?—There is no reduction in the number of Votes in this class.

[Mr. *Spring-Rice* withdrew.

ARMY ESTIMATES.

RE-GROUPING OF ARMY AND NAVY ESTIMATES.

Mr. RALPH HENRY KNOX, C.B., re-called; and further Examined.

Chairman.

1382. I OBSERVE that the total number of Votes, including numbers, is reduced in the new Estimates to 14, having been 26 in the old Estimate?—That is the reduction.

Chairman—continued.

1383. In fact, the total number in the Army Estimates becomes less than the total number in the Navy Estimates, having previously been greater?—Yes.

On VOTE 1.

PAY.

Chairman.

1384. There is a very large amalgamation under this Vote of four old Votes, namely, Pay, Chaplains, Prisons (Martial Law), and Reserve; perhaps you will explain to the Committee why that change has been made?—The change has been made for the reasons stated by the Secretary of State in his Memorandum, which perhaps I may read: "The Committee on Estimates Procedure (Grants in Supply) recommended in 1888 that steps should be taken in the direction of grouping together Votes of a cognate character. In accordance with this recommendation, the Number of Votes has been diminished by grouping, but none of the information previously given has been withdrawn from the Estimates, and care has been taken that the changes so introduced should tend to assimilate the Estimates for the Army and Navy respectively, and to disturb as little as possible the existing form of the Votes."

1385. When you refer to the Report of the Estimates Procedure Committee are you quite clear that their recommendation has been followed, and what they suggested was not the grouping of Votes under one Resolution without necessarily amalgamating the Votes?—It may have been a mistake thus to interpret the recommendations of the Committee, but their recommendation was

Chairman—continued.

certainly held to have the object of amalgamating the Votes.

1386. They refer to the system of grouping in these words: "Your Committee are of opinion that some convenience and probably some economy of time would result from the adoption of a system of grouping together in certain cases two or more Votes which are now separately submitted to the Committee of Supply, and to the House," Will you explain to the Committee why you think it desirable that these various old Votes should be merged?—Assuming it to be advisable to group Votes, those Services which were of a cognate character, and gave rise to similar questions so far as the discussions in the House of Commons were concerned, were thrown together. For instance, the Chaplain's Department and the Staff of Military Prisons, and so on, were Establishments entirely similar to those which were included in Vote 1, which included the general Staff and Establishments of a similar character, Military Schools and so on. The amount not being large relatively it was deemed advisable that these two Votes for Chaplain's Department and the Military Prisons should be included with Vote 1. Then as regards the Army Reserve Vote, that includes the pay of a body of men who are practically

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ARMY ESTIMATES.

Vote 1.—Pay—*continued.*

Chairman—continued.

practically soldiers serving under their Army engagements, and really on the strength of the Army; and therefore it was thought advisable that on a similar principle that Vote should be thrown in with the charge for the pay of the Regular Forces.

1387. The addition for the Reserve increases the Vote, I observe, by very nearly half-a-million of money?—Yes; the previous Vote stood at 5,064,000 *l.*; it now stands at 5,643,000 *l.*

1388. (To Mr. *Ryder.*) How does that stand with respect to the Navy; is there any similar amalgamation in the new Vote 1 for Wages in the Navy?—The Navy Reserves have not been amalgamated with Vote 1; they remain as a separate Vote. I believe that they correspond to the Auxiliary Forces, and are not part of the Regular Forces in the sense that the Army Reserve is part of the Army Regular Forces.

1389. Have you anything to say upon this amalgamation from a Treasury point of view?—The Treasury thought the amalgamations were advisable upon the whole.

1390. I observe with regard to the Vote for Martial Law that that is not merged in the case of the Navy, whereas it is proposed to merge it in the case of the Army; what is the reason for that?—The Treasury proposed to the Admiralty that Martial Law should be united with Vote 1, but the Admiralty objected, and, if I recollect right, they represented that Martial Law as a whole could not be put in the Wages Vote, but that it would be necessary to split it up, and divide it amongst several Votes, and in that way continuity would be destroyed.

1391. In the Treasury letter of the 22nd of February, which is before us, the practicability of reducing the Army and Navy Estimates to a common form, as suggested by the Public Accounts Committee, is put forward as a support to these changes; but in this case there is rather a new difference created between the two Estimates than an approximation to a common form; is not that so?—Strictly speaking, there has been no change in the form of the Estimates for the Army or for the Navy; the change has really been in the way of regrouping. The form of each Estimate remains the same, but the Estimates are differently grouped.

1392. You mean, I presume, that each Vote is represented by a group of Sub-Heads, which in all respects correspond with the old Votes?—That has been the rule all through; there is one exception to that rule, but it is not in the case of the Army. In the Navy there is one exception in the case of Divine Service.

ARMY ESTIMATES.

Vote 1.—Pay—*continued.*

Chairman—continued.

1393. (To Sir *C. L. Ryan.*) Have you anything to say upon this Vote 1?—No.

1394. Do you see objection to the amalgamation of the Reserve with the rest of the pay of the Army?—It is explained that the Reserve is not really a Reserve, but the men are borne upon the strength of the Army. With that explanation, I should have no objection to offer to the amalgamation.

1395. With respect to the difference between the Army and Navy under the new arrangements of the Estimates, under which, in the one case Martial Law is a separate Vote, and in the other not; have you anything you wish to say?—There again it would depend upon the method of administration. If it was found possible, without splitting the Vote, to make it the same in both services it is desirable to do so; but on the other hand, if it was not found to be possible to do it without splitting the Vote, that would be the greater evil of the two in my opinion.

Sir *John Lubbock.*

1396. (To Mr. *Knox.*) Is not the expenditure for Martial Law of a very different character from the rest of the expenditure proposed in Vote 1?—The expenditure generally is for the establishments of the Prisons Military Police; they are for small establishments consisting of non-commissioned officers of the Army and a great number of men who have served in the Army.

Mr. *Jackson.*

1397. It is practically pay, is it not?—Yes, mainly pay; it includes such men as the Military Police, the charge for whom amounts to about 10,000 *l.* Then there are rewards for the apprehension of deserters, which amounts to 2,700 *l.* The character of the expenditure is very similar. The establishments for Military Prisons are slightly different, but they are under the direction of the generals in their different garrisons, and form part of the garrison establishment.

Sir *John Lubbock.*

1398. Is not the expenditure upon Martial Law in the case of the Navy or Admiralty an expenditure of the same character?—I am not familiar with what is included in Martial Law in the case of the Navy.

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16 *April* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. KNOX, C.B. [*Continued.*

ARMY ESTIMATES.

Vote 1.—Pay—*continued.*

Sir GERALD FITZGERALD, K.C.M.G., called in; and Examined.

Sir *John Lubbock.*

1399. Is not the expenditure under the head of Martial Law in the case of the Navy approximately of the same character as in the case of the Army?—No; in the Army it is under the district officer; in the Navy it is regulated from the Admiralty, and the establishments are quite different. It was impossible to put this Vote bodily into Vote 1, because Vote 1 is for the Wages of the Fleet, to which these prison establishments do not belong. It would have destroyed the continuity of the Estimates if we had distributed Martial Law over the other Votes.

1400. (To Sir *C. L. Ryan.*) Assuming that it would be almost impossible to include Martial Law in Vote 1 in the case of the Navy, would not it, in your opinion, be more convenient to keep it separate in the case of the Army also?—I should myself attach such great importance to the power of comparison in the case of these large Votes of the Army and Navy that I should, speaking generally, prefer not to destroy the power of comparison, and also I think that, where the same system can be obtained in both these large services, that is a thing that should not be lightly destroyed.

1401. Therefore, you would be in favour, as I understand, of keeping Martial Law in the case of the Army separate from Vote 1?—I think, on those grounds, it would be desirable. (Mr. *Knox*). As regards the comparison I may say we have taken special care to preserve the continuity of comparison, and we intend to preserve the continuity of comparison through the whole of our Estimates and accounts.

Chairman.

1402. I observe, in the case of the Army, that the old Vote for Martial Law is considerably more than double the Vote for Martial Law in the case of the Navy; the Vote, for instance, in 1889-90 in the Army Estimates is 29,414 *l.*, and in the Navy it is 11,944 *l.*, so that the argument for keeping it separate in the Army from that point of view would be stronger than in the case of the Navy?—It is a larger amount, no doubt.

Sir *Richard Temple.*

1403. If it is found that Martial Law must be kept distinct in the Navy, there would be no great difficulty, I presume, in keeping it distinct in the Army?—There would be no difficulty whatever in keeping the Estimate as it stood before.

1404. You recognise, do you not, the importance of having the same rule for both the great Services?—I think that similarity is advisable.

Mr. *Jackson.*

1405. The difficulty, as I understand it, was not as to the amount, but there was this difference between the Army and Navy: that in the case of the Army it was stated that it was possible to continue the means of comparison, and keep the amount for Martial Law intact, whereas in the case of the Navy the whole sum now expended on Martial Law could not properly have been put under Vote 1 as Wages, but it would have been split up, and that was why the same plan was not followed in the Navy as was adopted in the Army?—Quite so; the two Votes, in fact, are not similar. The Vote for Martial Law in the Navy included many services which we never included in our Military Prisons Vote. Our Military Prisons Vote is a Vote for small establishments, small prisons, provost prisons, for instance. There was no difficulty, therefore, in throwing the Votes together; they were of the same nature. They were Pay Votes of men on the establishment of the Army, and it was very easy for us to group them.

Mr. *Jackson*—continued.

Sir *Walter Barttelot.*

1406. Surely the martial law question is totally different from that of pay, and from the other establishments of the Army, and even from the Reserve and Chaplains' Department; for instance, the first thing that stares one in the face when one looks at the Estimates under the heading of "Military Law" is "Pay, &c., of Establishment of Judge Advocate General"?—That is so.

1407. No doubt it is for the administration of military law, but still it has nothing whatever to do with the first part of the Vote?—It includes establishment given to the general officers for maintaining discipline and carrying out the punishments which they inflict in their different districts.

1408. But you will admit, I presume, that it is the least relevant of these Votes which have been grouped together?—Taking it as military establishments I do not think so; I think as minor military establishments they may fairly fall under the first group.

On VOTE 3.

AUXILIARY FORCES.

Chairman.

1409. (To Mr. *Knox.*) I observe that in this case all the Auxiliary Forces, the Militia, Yeomanry, and Volunteers, which have hitherto been separate Votes, are brought together; will you explain to the Committee why that change was made?—It was made with the view to grouping and reducing the number of Votes. They are all forces supporting the Army and for home service. Assuming that continuity of the means of comparison was to be preserved in the account, it was thought that there could be no objection

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16 *April* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., Mr. KNOX, C.B., and Sir G. FITZGERALD, K.C.M.G. [*Continued.*

ARMY ESTIMATES.

Vote 3.—Auxiliary Forces—*continued.*

Chairman—continued.

objection in grouping them so far as the Vote was affected.

Sir *Richard Temple.*

1410. The term "Auxiliary Forces" is the official term applicable to all three forces, is it not?—It has applied hitherto to all the three branches, but a distinction has been recently determined upon as regards the Militia. The Militia is not now part of the Auxiliary Forces.

Chairman.

1411. In that case the name of the Vote which is given as "Auxiliary Forces" in this summary is misleading, is it not?—The Vote is called in the Estimates "Pay, &c. of Militia, Yeomanry, and Volunteer Corps."

1412. In the document sent to us the name was "Auxiliary Forces," which I understand does not strictly include Militia?—It is in consequence of the recommendation of the Committee which was sitting at the time that the Estimates were being framed that the change was made.

1413. On page 35 of the Estimates, immediately after the heading, come the words, "An Estimate of the sum which will be required" "to defray the charge for the Pay and Allowances of the Auxiliary Forces"?—Yes; I am afraid that the words "Auxiliary Forces" remain there as a remnant of what was in existence before this Committee came to their decision. The title of the Vote was altered to "Militia, Yeomanry, and Volunteers," but the alteration apparently was not carried throughout.

1414. Does not the fact that the term "Auxiliary Forces" no longer applies to the Militia point to the fact that the Militia is a force of a different character to either the Yeomanry or the Volunteers?—They are all raised under different Acts of Parliament, no doubt.

1415. And they are of a different character, are they not?—They are all for the support of the Army for home services.

Sir *Richard Temple.*

1416. I understood you to say that the Militia was taken out of the Auxiliary Forces; why was that?—It was a desire expressed on behalf of the Militia officers, and considered by the Committee I have referred to, who saw no objection, and the Secretary of State accepted it.

1417. The term "Auxiliary Forces" now only applies to the Yeomanry and Volunteers, as I understand?—Yes.

Sir *Walter Barttelot.*

1418. In what category should you put the 30,000 reserve men of the Militia?—They are militiamen, certainly.

1419. To all intents and purposes, in one sense, they are militiamen, but in another sense they are the Reserve of the Army, are they not?—They are liable, of course, to be called out.

1420. They are just as much liable to be called

ARMY ESTIMATES.

Vote 3.—Auxiliary Forces—*continued.*

Sir *Walter Barttelot*—continued.

out at a moment's notice as the Army Reserve, are they not?—They are.

1421. If we were going to send out a force to-morrow, the Militia Reserve would come out on the same terms and in the same way as the Army Reserve, would they not?—I do not know that they would be necessarily mobilised, but if they were, the machinery for their mobilisation is the same.

1422. If they were wanted they are equally liable to be called out?—Their liability is precisely the same.

1423. Is not it rather a peculiar thing to put the Militia, Yeomanry, and Volunteers in the same category, especially when the Militia are now the third and fourth battalions of the regiment of the Line?—I do not see that there is any great objection to it, but all these matters would be really a matter of opinion.

1424. Let me go a step further; is not the Militia the one force upon which you would absolutely rely to recruit the other two battalions in case of necessity, if there was a war?—I have no doubt that the men who would be drafted to the foreign battalions would be trained in the Militia battalions.

1425. Therefore they come under quite a different category to the other two forces, do they not?—The force is a different force, no doubt, and they are situated differently.

1426. It is an intermediate force, is it not, between the two Auxiliary Forces and the Line?—It is a distinctly different force, no doubt.

Mr. *Jackson.*

1427. But it is preserved as a separate Sub-Head of the Vote, is it not?—Yes; we have preserved throughout the Vote the figures which apply to the Vote in former times. We show how much is the total for the Militia, how much is the total for the Yeomanry Cavalry, and how much for the Volunteers.

Sir *Richard Temple.*

1428. Still there remains the fact that the term "auxiliary," if used as including the Militia, is wrong?—Now it is, but it was not two months ago.

1429. Is it proposed to give it another name?—It is to be called the Militia.

1430. Is the heading to be "Militia"?—The heading is "Militia, Yeomanry, and Volunteers," instead of "Auxiliary Forces."

Chairman.

1431. I see the effect of grouping these Votes is to make a very large Vote; the Vote last year was 540,000 *l.* for the Militia, 76,000 *l.* for the Yeomanry, and 763,000 *l.* for the Volunteers; that makes a total of 1,359,502 *l.*?—Yes.

1432. Comparing that with the corresponding Vote for Royal Naval Reserves there is an immense difference, because that is a Vote of only about 150,000 *l.*; is not that so?—Yes; they are

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16 *April* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., Mr. KNOX, C.B., and Sir G. FITZGERALD, K.C.M.G. [*Continued.*

ARMY ESTIMATES.

Vote 3.—Auxiliary Forces—*continued.*

Chairman—continued.

very different. But that is the only force which the Navy has of that character.

1433. (To Mr. *Ryder.*) Has the Treasury anything to say upon this point?—I think the Treasury would acknowledge that there had been a mistake in this term Auxiliary Forces; I did not know myself that it was not applicable to the Militia.

1434. Would the Treasury acknowledge further that the fact of the title not being applicable to the Militia points also to the fact that you are including, under one Vote, forces which are not of a similar character?—They have not the common character which the Treasury thought they had.

1435. (To Sir *C. L. Ryan.*) Have you anything to say upon this point?—I should myself certainly agree with Mr. Ryder's last observation, that they have not the common character which would justify their being placed in one Vote.

On VOTE 5.

COMMISSARIAT.

Chairman.

1436. (To Mr. *Knox.*) This Vote includes the old Votes for Provisions and Clothing; have you any argument to urge in favour of the change?—In this we were following the grouping which has always been adopted in the Naval Estimates. They are services for which practically the Quartermaster General is the responsible officer.

ARMY ESTIMATES.

Vote 5.—Commissariat—*continued.*

Chairman—continued.

1437. (To Sir *C. L. Ryan.*) Have you anything to say as regards this change?—No, I see no objection to that change.

NON-EFFECTIVE SERVICES.

Chairman.

1438. (To Mr. *Knox.*) With respect to the changes in the Non-Effective Services, will you explain to the Committee the reason for the changes which have been made?—I think it was admitted generally that in the Army Estimates there have been preserved a much larger number of Votes for many years than was absolutely necessary; some Votes have been retained, I think, more for old association's sake than for any other reason, and it was thought that here, perhaps, more than anywhere else, a satisfactory grouping could be adopted, and these Non-Effective Services have now been divided into three headings, which may be described broadly as Pensions of Officers, Pensions of Men, and Civil Pensions. It was thought it would be a more satisfactory grouping, but we are still retaining the old continuity as regards comparison of expenditure.

1439. (To Sir *C. L. Ryan.*) Do you wish to say anything upon this point?—I think there is no objection to the amalgamation of the Non-Effective Services.

[Mr. *Knox* withdrew.

NAVY ESTIMATES.

Chairman.

1440. (To Sir *Gerald FitzGerald.*) Perhaps it may be convenient to take the Non-Effective Services of the Navy first, as those of the Army have just been dealt with; would the remarks which Mr. Knox has just made with respect to the Army apply to the Navy, except that in your case there will not be so many Votes?—Yes.

1441. There is only one other change in your new arrangement of the Estimates, and that is the amalgamation of the Divine Service Vote; that was a completely new Vote created in 1888, I think?—Yes.

1442. It was started as a similar Vote to that in the Army Estimates, and the corresponding Vote

Chairman—continued.

having disappeared for the Army, you think it is best to merge it in the Vote for Wages?—Only about two-thirds of it was amalgamated with the Vote for Wages; the rest being distributed among the other Votes.

1443. I gather that it has not been thought necessary in this case to preserve continuity?—No.

1444. (To Sir *C. L. Ryan.*) Have you anything to say upon this point?—I think not; I think the continuity was not necessary, as it could not be observed for more than one year.

[The Witnesses withdrew.

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Wednesday, 14*th May* 1890.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Donald Crawford.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Webb.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

RE-GROUPING OF ARMY ESTIMATES.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. G. L. RYDER, C.B., re-called; and further Examined.

Mr. RALPH HENRY KNOX, C.B., re-called; and further Examined.

Chairman.

1827. (To Mr. *Knox.*) As you are here, the Committee desire to ask you another question or two, as to the proposed amalgamation of the Votes for provisions and clothing of the Army. The Committee are struck with the fact that this amalgamation will produce a very large Vote of about three millions and a-half, and some of the Members of the Committee are inclined to think that before so large an amalgamation is assented to, rather more reasons should be given for the proposed change?—I am afraid that I cannot add to the reasons which I gave before. It was assumed that there was a desire to reduce the number of Votes; and as those services have always been, or for a very long time have been combined in the Votes of the Admiralty, it was thought that the War Office Estimates should follow suit.

1828. How far are the two services administratively combined within the War Office?—They are services which we look to the Quartermaster General to administer from the military point of view. Of course he does not obtain the supplies; the supplies of clothing are obtained through the Contract Branch working by means of the Director of Clothing, who is under the Financial Secretary; but so far as the military administration of the Vote is concerned the Quartermaster General administers both the clothing and the supplies of provisions and forage.

1829. The supplies of provisions are obtained in a totally different way from the supplies of clothing, through a different branch of the War Office, as I understand?—Of course, the Director of Contracts, who is under the Financial Secretary, makes all the contracts with regard to everything; but the demands are made by the Military Department, and the Quartermaster General is the military officer who makes the demand for these services.

Chairman — continued.

Mr. *Jackson.*

1830. Both contracts for food and for clothing are made under the Director of Contracts through one officer?—Yes.

Mr. *Arthur O'Connor.*

1831. In the same way, I presume, as the officer might contract for materials for manufacture?—Yes.

Chairman.

1832. It seems to the Committee that the services are of a different character; and that fact, coupled with the very large sum which would have to be voted in one Vote, supposing the two old Votes were amalgamated, make them pause before they assent to the suggestion?—Yes, I can understand that; but it was thought that the War Office was following the Admiralty in that arrangement.

1833. The case is rather different in the Army, is it not; because the Admiralty Vote would not be so much as one-third of this large Vote, which, if the two Votes were amalgamated, would amount in the case of the Army to three and a-half millions?—The amount of the Vote was not what governed the War Office in considering the question, except indeed in some cases where the amount was a very small one; we did propose to get rid of some Votes which were comparatively very small on the ground of their unimportance.

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14 *May* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. KNOX, C.B. [*Continued.*

RE-GROUPING OF ARMY ESTIMATES.

Mr. *Jackson.*

1834. Is there any change in prospect that would give the Quartermaster General more direct authority and control over these two Votes?—Yes, everything points to giving the Quartermaster General even more control than he has had over the Clothing Vote. The Clothing Department as a separate department includes the Clothing Factory; that would not of necessity come under the Quartermaster General as a factory. But with regard to the supplies of clothing, and the quantities to be kept up and so on, although the Director of Clothing, under the Financial Secretary, has a great deal to say to that, yet the Military Department, which is that which makes the demand, is the department that one looks to to regulate the quantities; and as I say, everything, as far as I can see, points to the Quartermaster General having even more direct authority in reference to clothing than he has had in the past.

1835. I suppose the Quartermaster General would fix the quantity of clothing, and the quantity of the reserve also?—Yes; that is to say, he is the military authority as regards that, although in all these questions the financial consideration comes in as well.

1836. The Director of the Clothing Factory would really be the manufacturer to carry out the orders?—Quite so; just as we look upon the Ordnance Factories as the factories to carry out the orders for the supplies of warlike stores.

Mr. *Arthur O'Connor.*

1837. So far as the War Office is concerned, it is a matter of practical indifference to them whether the Votes, as they have been hitherto, are kept distinct until the fusion which you point to in future is carried out?—There has been no difficulty.

1838. Practically it does not make any difference to the War Office whether they are made one Vote or kept as two?—There has been no difficulty at the War Office in carrying out the present arrangement.

Mr. *Barran.*

1839. Does the Director of Clothing now receive his orders from the War Office?—Yes, certainly.

1840. He acts from instructions received from the War Office?—Certainly.

1841. Then, if this change is made, will it make any practical difference so far as the administrative control of the War Office is concerned?—It will make no difference.

1842. Will he have the same powers as before?—He will have the same powers; there is no immediate intention of modifying his present powers.

Mr. *Wodehouse.*

1843. (To Sir *C. L. Ryan.*) Have you found any difficulty in discharging your duties as Comptroller and Auditor General arising from the combination of the Votes for Provisions and Clothing in the Navy Estimates?—I have found no difficulty.

RE-GROUPING OF ARMY ESTIMATES.

Mr. *Wodehouse*—continued.

1844. You do not apprehend any difficulty arising from the combination of these same things in the Army Estimates?—I should anticipate no difficulty at all, so far as my work is concerned.

1845. Your power of control would be as effective as before?—It would make no difference to me.

Sir *Walter Barttelot.*

1846. (To Mr. *Knox.*) In the Navy, are not the stores very much more concentrated, both as regards clothing and provisions, than they are in the Army?—Not that I am aware of; but I cannot say that I am familiar with the method of management in the Navy. (Sir *C. L. Ryan.*) In the Navy they are under a separate and distinct officer, the Director of Victualling; in that sense they are concentrated more than in the case of the War Office, perhaps. The Director of Victualling manages entirely those two branches; and, therefore, when I said just now that I found no difficulty, I had that in my mind.

1847. That is to say, in the Navy the stores are absolutely managed by one officer?—Yes; he is responsible.

1848. (To Mr. *Knox.*) That is not so in the Army, I understand?—No; it cannot be said to be so, except that, so far as the military demand is concerned, that demand is made by one officer, namely, the Quartermaster General.

1849. Again, with regard to provisions, are not the provisions in the Army kept in a very different way, and supplied in a different way from those in the Navy?—We do not to the same extent keep supplies of stores and provisions in the Army as they do in the Navy.

1850. They are distributed over a much greater number of centres in the case of the Army, are they not, than they are in the Navy?—The contractor supplies them direct to the regiments at the different quarters.

1851. Therefore, as regards the Army, certain circumstances might occur which might necessitate inquiry in the various districts?—Yes. Of course the supplies are made to all the different districts all over the kingdom, and things may go wrong, and inquiries may have to be made in any one of the various districts; but they would all go up to the same officer to be dealt with at head-quarters.

1852. Looking at the magnitude of the Vote, and the different circumstances in many ways of the Army in regard to the Vote, may I take it you would see no difficulty in these two Votes being separated?—None whatever.

1853. The Reserves are likely to be called out this year, I understand?—Some portion of them are to be trained in musketry.

1854. They will necessarily have their clothing, I presume?—Not necessarily.

1855. I must not go into any administrative portion of the matter; but I may ask you, are you going to train and instruct them in musketry and not supply them with clothing?—Yes.

1856. Would

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14 *May* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, C.B., and Mr. KNOX, C.B. [*Continued.*

RE-GROUPING OF ARMY ESTIMATES.

Mr. *Arthur O'Connor.*

1856. Would you give them fatigue jackets? —No, they will be drilled in private clothes; they are merely coming up to be drilled in musketry.

Mr. *Jackson.*

1857. (To Mr. *Ryder.*) Have you anything to say with regard to this point, from the Treasury point of view?—I do not think I have very much to say beyond this: that the Treasury thought, on the proposal being made by the War

RE-GROUPING OF ARMY ESTIMATES.

Mr. *Jackson*—continued.

Office, it was a reasonable one, having regard to the practice of the Admiralty, and also having regard to what they understood was the fact, that administratively the two services, victuals and clothing, were united in Pall Mall. I am not quite sure, from what Mr. Knox has just told the Committee, that the idea is entirely correct. I gather that the union is only partial; I think the Treasury thought it was more complete than it really turns out to be.

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THIRD

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
14 *May* 1890.

[*Price* 5*d.*]

177. *Under* 6 *oz.*

H.—16. 6. 90.

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FOURTH

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS.

Ordered, by The House of Commons, *to be Printed,*
2 *July* 1890.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

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Committee of Public Accounts.

Committee nominated,—[*Thursday, 13th February* 1890]—of—

Sir Ughtred Kay-Shuttleworth.	Mr. Jackson.
Sir John Lubbock.	Mr. Lane.
Sir Walter Barttelot.	Mr. Sydney Buxton.
Mr. Salt.	Mr. Arthur O'Connor.
Mr. Barran.	Mr. Wodehouse.
Sir Richard Temple.	

Ordered, That the Committee have power to send for Persons, Papers, and Records.

Ordered,—[*Friday, 14th February* 1890]:—That the Committee on Public Accounts do consist of Twelve Members.

That Mr. Donald Crawford be added to the Committee.

Ordered,—[*Tuesday, 25th February* 1890]:—That the Report of the Select Committee on Estimates Procedure (Grants of Supply), of Session 1888, be referred to the Committee of Public Accounts.

Ordered,—[*Thursday, 27th February* 1890]:—That the Statement laid before the House, showing Arrangement of Votes in the Estimates for 1890–91, as compared with that in the Estimates for 1889–90, be referred to the Committee of Public Accounts.

Ordered,—[*Tuesday, 4th March* 1890]:—That the Statement laid before the House, showing the Changes in the Arrangement of Votes made in the Army and Navy Estimates for 1890–91, be referred to the Committee of Public Accounts.

That a Copy of the Estimates for the year 1890–91 be referred to the Committee of Public Accounts.

Ordered,—[*Monday, 24th March* 1890]:—That Mr. Lane be discharged from the Committee of Public Accounts.

That Mr. Webb be added to the Committee.

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FOURTH REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the matters to them referred, and have agreed to the following FOURTH REPORT:—

NAVY APPROPRIATION ACCOUNT, 1888-89.

PAYMENTS UNDER QUEEN'S REGULATIONS.

1. THE Comptroller and Auditor General noticed in his Report two cases of payments which the Queen's Regulations apparently did not authorise. Your Committee accept the explanations offered on behalf of the Admiralty, but suggest that the Regulations seem to need amendment to cover the practice in such cases.

Navy Appropriation Accounts, p. 151, para. 2; p. 160, para. 16. Q. 1450-1456. 2033-2045.

PAYMENTS TO CONTRACTORS IN MARCH FOR PROPELLING MACHINERY AND SHIPS BUILDING BY CONTRACT.

2. The Public Accounts Committee have frequently in past years, and especially in 1881, 1885, and 1889, called attention to the importance of carefully watching the periods of payments to contractors, so as to spread the expenditure more evenly throughout the year. Last year the Committee called attention to the fact that, "out of a total of 603,847 *l.* 3 *s.* 3 *d.*" expended on machinery for propelling, "a very large proportion, "namely, 245,170 *l.* 5 *s.* 3 *d.*, was paid in March, and of this amount 97,748 *l.* 6 *s.* 8 *d.* "was paid in the last three days of the financial year." The Committee remarked that "postponements of payments till the end of the financial year need to be watched with "care; and your Committee were assured by the witness who gave evidence on behalf of "the Controller of the Navy, that he agreed with this view. As this is a matter "which has been the subject of repeated reports for some years past, your Committee "trust that more even payments will be made in future." The Treasury Letter dated "25th September 1889, on the Report just quoted, stated that "My Lords do not under-"stand why these payments should not be spread throughout the year as evenly as "payments for ships building."

Public Accounts Committee, Second Report, 1881, paras. 83-84. Second Report, 1885, para. 111. Third Report, 1889, paras. 18, 19, 26. Public Accounts Committee, Third Report, 1889, para. 26.

Public Accounts Committee, First Report, 1890. App. 7. p. 29.

3. By the table which is appended to your Committee's present Report, it will be seen that, again in the year 1888-89, out of a total of 764,135 *l.* 3 *s.* 9 *d.* expended on machinery for propelling, 254,080 *l.* 11 *s.* 10 *d.* was paid in March; and of this amount 88,502 *l.* 6 *s.* was paid in the last three days of the financial year. Explanations were offered on the part of the Admiralty, which will be found in the evidence; but they do not satisfy your Committee that a system which results in accumulating these payments in the last weeks and days of the financial year, is capable of any good defence.

App. No. 4.

Q. 1600-1602. 1615-1640. 1674-1682. 1729-1741. 1772-1796

4. The Admiralty have furnished to your Committee the corresponding figures (which, however, have not yet been the subject of audit and report) for the year 1889-90; these will also be found in the table, which shows that, in each of the three years ending in March 1888, 1889, and 1890, the payments in March for propelling machinery, amounted to more than one-third of the total payments for the year. It will also be observed that whereas the payments in March 1888, amounted to 245,170 *l.* 15 *s.* 3 *d.*, those in April were only 7,939 *l.* 8 *s.* 3 *d.*, and that while those in March 1889 were 254,080 *l.* 11 *s.* 10 *d.*, those in April were only 2,079 *l.* 15 *s.*

Q. 1743-6.

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100,000 *l.*, in respect of the anticipated use of stores which had been purchased in previous years at the expense of that Vote.

Q. 781, 5, 6. An increased charge consequently fell upon Vote 12, and a corresponding addition was made to the Appropriations-in-Aid of the Ordnance Factories Vote.

Q. 780. It appears from the evidence that the former Director General of Ordnance Factories had expressed the opinion that the stock would admit of a reduction to the value of about 100,000 *l.* in the year 1888-89. Hence it was decided to give credit to this extent to the Army Stores manufactured during the year. But the amount of Stock in the possession of the Factories at the commencement of the year proved insufficient for the reduction that had been contemplated; the benefit in price that it had been intended to give to Vote 12 was therefore not realised.

Your Committee hold that so material a deviation from the Estimate, affecting as it does both the Votes of the Army and the Ordnance Factories, should have been clearly recorded and explained in the Account.

Credit for Sale of Stores.

Ordnance Factories Appropriation Account, 1888-9, p. 10, para. 9. Q. 854-68. 5. The question of the correct mode of charging stores, which, not being needed, are transferred from the Factories to the Commissary General of Ordnance for sale, is one of the subjects under the consideration of a Departmental Committee. Your Committee therefore only remark that it is irregular to credit the Ordnance Factories Vote with any amount beyond that actually realised by sale.

Errors in Statement of Appropriation-in-Aid.

Ordnance Factories Appropriation Account, 1888-9, p. 10, para. 10. 6. The Comptroller and Auditor General drew attention in his Report to the fact that sums amounting to 79,684 *l.* – *s.* 7 *d.* had not been received during the period of the Account, although included among the Appropriations-in-Aid, and that a portion of the amount was still outstanding at the date of his Report. He also pointed out that a further sum of 1,100 *l.* 4 *s.* 9 *d.*, which had been actually received, had been excluded from the Account upon apparently insufficient grounds.

Ibid, p. 11, para. 11.

Q. 876. Upon the principle laid down by the Treasury, that the date of receipt should govern the date of credit, the sum of 79,684 *l.* – *s.* 7 *d.* should not have been credited, as if

Q. 877. Q. 994. received, to Appropriations-in-Aid. It is also admitted that the amount omitted, 1,100 *l.* 4 *s.* 9 *d.*, should have been included in the Appropriation Account.

If these amounts were deducted and added respectively, the Account, instead of exhibiting a surplus of 18,036 *l.* 14 *s.* 9 *d.*, would show a net deficit of 60,547 *l.* 1 *s.* 1 *d.*

Q. 888, 9. In the case of an ordinary Vote, your Committee would probably have reported that a Vote should be taken for this deficiency. But in this case the money thus voted would

Q. 890-5. simply be surrendered to the Exchequer. Your Committee therefore adopt the suggestion

Q. 997. made on behalf of the Treasury that the amount in question should be charged against the Accounting Officer until it is realised. The recurrence of a similar irregularity would be rendered impossible by the adoption of the system recommended by the Treasury, under

Vide supra, para. 3. Q. 989-93. which full advances would be made, in the form probably of a deposit account, by each Department and Government employing the Ordnance Factories.

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES.

FORM OF ACCOUNTS.

52 & 53 Vict. c. 31, s. 1. 7. For the first time, the Comptroller and Auditor General has reported to Parliament on these Accounts, in pursuance of the Army and Navy Audit Act, 1889, which directs that accounts shall be prepared and rendered to him in each year for audit, on behalf of the House of Commons, and for report, and that the Accounts are to "show the cost of labour employed, and the value of stores expended in the several "Ordnance Factories, and Manufacturing Establishments of the Army."

The form of these Accounts is to be such "as the Treasury from time to time, Q. 1023-6. "direct or approve." Apparently, through an omission, this approval has not been obtained.

Q. 1003. The Comptroller and Auditor General has raised no objection to the general scope of the Accounts, except as regards insufficiency of detail in the Indirect Expenditure

Vide infra, para. 9. Statement. To this further reference will be made.

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Primary Records of the Factory Accounts.

8. It is to these that the Comptroller and Auditor General's test-audit has been chiefly directed, especially as regards the detailed allocation of labour and materials to orders. Q. 998, 9.
It has been the practice of the "Accountant and Auditor" of the War Office, acting on behalf of the Secretary of State and under specified instructions, to commence his examination of the Factory Accounts at the second stage of accounting, that, namely, of checking in the Cost Ledger the abstracts of both wages and materials; and the various Superintendents of Factories have been held solely responsible for the whole of the details of allocation of wages and materials. Ordnance Factories Account, 1888–9, p. 159.

This fact enhances the importance of a full investigation of the questions raised on this part of his audit by the Comptroller and Auditor General. They have been referred by the War Office to a Departmental Committee which is now sitting. Q. 999–1001.

Your Committee were informed by Mr. Knox, the Accountant General of the War Office, that, after the Report of the Committee presided over by Lord Morley, the Secretary of State is disinclined to incur any further expense in watching the details as to the allocation of expenditure on wages, but would be willing to assent to any improvements which could be effected within the limits of the present outlay. The War Office has been informed by the Comptroller and Auditor General that his contention is that some amendment may probably be found practicable which would not entail additional expense. Q. 1021. Ordnance Factories Accounts, 1888–9, p. 176 (G.)

Items of Indirect Expenditure.

9. The Comptroller and Auditor General has called attention to the advantage which would result from a sub-division of large items in the Indirect Expenditure Statement, namely, "Wages not chargeable direct, 205,772 *l.*," and "Materials not chargeable direct, 87,583 *l.*;" and Mr. Knox stated that some sub-division would certainly be advisable. Your Committee therefore anticipate that this improvement will be introduced. *Ibid.*, p. 166, para. 20. Q. 1003. Q. 1006.

Depreciation of Buildings and Machinery.

10. The question of the proper mode of treating sums received for depreciation of buildings and machinery was raised by the Comptroller and Auditor General, and was the subject of evidence from him and from representatives of the War Office and Treasury. It appears to require further consideration and is not ripe for decision. Ordnance Factories Account, 1888–9, p. 166 para. 21. Q. 1007–14. Q. 1015.

Comparison of Cost Results.

11. The Comptroller and Auditor General pointed out in his Report that the cost results set out in the "Production Statement" are the point to which his audit is ultimately directed, and that if these results are proved to be substantially correct, a standard is established by which Parliament might hope, by comparative test with outside prices, to judge of the economical working of the Army Manufacturing Establishments. At present he has not the means of establishing comparisons on behalf of Parliament. Ordnance Factories Account, 1888–9, p. 167, para. 24. Q. 1016.

It seems to be worthy of consideration how far such comparisons could be usefully instituted.

Transfers, Semi-Manufactures, and Production Ledgers.

12. Regarding these points, the questions raised by the Comptroller and Auditor General will be considered by the Departmental Committee already mentioned. Ordnance Factories Account, 1888–9, pp. 167, 8, paras. 25, 26 28, 29; p. 170, para. 43.

Stocktaking.

13. The balance of stores in stock on the 31st March 1889 is given in the Accounts 388,981 *l.* 4 *s.* 7 *d.* Your Committee have been informed that this value is fairly trustworthy, and that, considering that test stocktaking goes on continually, it may be taken to be right within 15 per cent.; that it is not the duty of the Comptroller and Auditor General to take stock; and that a complete stocktaking, such as the Director General of the Ordnance Factories would like to institute, would, in his opinion, be a formidable task, and would involve not only great expense, but also the closing of the Factories for at least a week. Q. 1060. Q. 1130. Q. 1071. Q. 1075, 6, 1119.

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ANNUAL ACCOUNTS OF THE ROYAL ARMY CLOTHING FACTORY.

14. Under the Army and Navy Audit Act, 1889, these Accounts also have been submitted to the Comptroller and Auditor General.

Q. 1141–4. Owing to the necessarily late period of the year when his audit of Army Manufacturing Accounts commenced, a test examination of the Clothing Factory Account proved impossible. But he has made a personal inspection of the books and accounts with a view to a test examination of the Accounts for 1889–90 at an early date.

DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS.

15. Although the results of a test examination of these Accounts by the Comptroller and Auditor General were laid before Parliament and submitted to the Public Accounts Committee in 1888 and 1889, this is the first occasion on which he has reported on these Accounts under statutory powers, in consequence of the Act passed in the last Session. That Act directs that "Accounts, showing the distribution and cost of labour "employed, and the value of Stores expended in the several Government Dockyards and "Manufacturing Establishments of the Navy, in and out of the United Kingdom," shall be prepared and rendered to the Comptroller and Auditor General annually, and shall be examined by him on behalf of the House of Commons, "with reference to the "Programme of Ship-building and other work for which money has been provided "either by special Act, or out of money appropriated for Navy Services by an Appro- "priation Act," and that he shall report on these Accounts.

Q. 2246, 7.

52 & 53 Vict., c. 31, s. 1.

Distributive Statements and Programme of Ship-building,

16. These Statements and a Programme having been introduced into the Navy Estimates for the year 1888-9, in the hope that Parliamentary control could in future be exercised over the use as well upon the purchase of materials, and over the particular services upon which labour is employed, it has now become possible to compare the corresponding actual expenditure of the year, in connection with ship-building, repairing, and the like, with these Statements.

Q. 2248–9.

Scope of Audit.

17. The test audit having commenced at a late period of the year, it has only been applied to the Chatham, Devonport, and Portsmouth Dockyards; but, in future years, all the Home Dockyards will come under examination.

Q. 2250–1.

Steam Reserve Labour not Charged to Ships, &c.

18. The Comptroller and Auditor General in his Report called attention to the fact that the value of the labour of certain seamen pensioners, who are a distinct body of men, employed under the Captain of the Steam Reserve, is not charged to the ships and services upon which they are engaged.

Expense Accounts, 1888–9, p. 296, para. 4.

Your Committee have been informed that the questions raised by a communication from the Comptroller and Auditor General to the Admiralty are still under their consideration with a view to an early decision.

Q. 2252–8.

Issues of Stores to Captain of Steam Reserve.

19. When Stores have been issued from the Storekeeper's charge to the Captain of the Steam Reserve, in order to be laid apart for future use, it is desirable, as the Comptroller and Auditor General suggested in his Report, to keep touch with those stores. The Admiralty propose to do this by means of Store Accounts; and a scheme is being prepared with that object. They propose, further, to secure a proper verification by annual survey of both the quality and quantity of stores thus laid apart. Your Committee look to the Comptroller and Auditor General to report, after experience of its working, as to the adequacy of this scheme.

Expense Accounts, 1888–9, p. 296, para. 6.

Q. 2259–62.

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Stores returned from Ships.

20. Respecting the criticisms of the Comptroller and Auditor General upon the mode in which stores returned from ships are re-valued, and a depreciation has, in some cases, been debited to individual ships, it has been admitted, on behalf of the Admiralty, that inaccuracies have resulted, and that a change of practice should be introduced. The Comptroller and Auditor General will, doubtless, if necessary, report upon this subject again in a subsequent year.

Expense Accounts, 1888-9, p. 297, para. 8. Q. 2263-8.

Foreign Yard Accounts.

21. In each of the three years during which the Comptroller and Auditor General has examined the Expense Accounts he has commented on the unsatisfactory state of the Foreign Dockyard Accounts. Your Committee learn that the Director of Dockyards and the Inspector of Dockyard Accounts have already visited Malta and Gibraltar, and are about to visit other Foreign Yards, in order to suggest amendments. Your Committee have not, therefore, inquired into the details of this subject; but its importance leads them to remark that improvement should be effected without any avoidable delay.

Expense Accounts, 1888-9, p. 298-301, paras. 10, 18, 20, 23. Q. 2272-4.

Manufacturing Accounts.

22. The comments of the Comptroller and Auditor General upon the Manufacturing Accounts are under consideration by the Admiralty, and he informs your Committee that he has reason to expect amendment.

Expense Accounts, 1888-9, p. 298-9, paras. 11-17. Q. 2275-6.

Programme and Performance (Shipbuilding, Repairing, &c.).

23. In his Report the Comptroller and Auditor General made a contrast between the estimated and the actual expenditure, and analysed the differences. His suggestions for certain improvements and explanations in the returns and accounts furnished for audit are accepted by the Admiralty.

Expense Accounts, 1888-9, p. 300, paras. 20, 21. Q. 2277-80.

Omission of the Values of Lands, Buildings, and Machinery from the Accounts.

24. The Report of the Comptroller and Auditor General called attention to the fact that the Values of Lands, Buildings, and Machinery have been omitted from the Accounts for 1888-89. He had ascertained that the Admiralty did not think it worth while to go to great expense in obtaining a professional valuation. Moreover, the Admiralty appear to hold that a revised departmental valuation would be unreliable. The Comptroller and Auditor General is of opinion that as the Admiralty have skilled officers attached to the Works Department at most of the Dockyards, their services might be employed in order to obtain an approximate valuation, similar to that which in the Ordnance Factory Accounts serves as a basis for the distribution of depreciation charges among the results of manufacture.

Your Committee deem the point thus raised to be one deserving careful consideration.

Expense Accounts, 1888-9, p. 301, para 27. Q. 2283-4. Q. 2282. Q. 2285-9. Q. 2312.

Works Accounts, Vote 10.

25. Explanations were given to your Committee of the exceptional circumstances under which large accumulations of surplus stock occurred towards the close of certain extension works at Portsmouth and Chatham. The Admiralty intend to use the surplus stock for other purposes.

Q. 2313-17.

VICTUALLING YARD MANUFACTURING ACCOUNTS.

26. The Victualling Yard Manufacturing Accounts were discontinued for some years, but have been re-instituted in 1888-89, in accordance with the opinion of the Public Accounts Committee, 1889, that "some Accounts of this nature should be rendered in "future, but not necessarily in so elaborate a form as those of the Shipbuilding Dock-"yards."

The Admiralty have limited these Accounts to purely manufacturing operations, which cover an extent of about 79,000 *l.* out of a total of about 1,200,000 *l.* included in Vote 2 for the Navy. The Comptroller and Auditor General has raised the question whether

Q. 2318. Public Accounts Committee, Fourth Report, 1889, para. 30. Q. 2319-26.

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whether the ground thus covered is sufficient. But as the Admiralty point to the expense of rendering fuller accounts, your Committee suggest that the subject should be considered by the Treasury before it comes before the Public Accounts Committee next year.

Cooperage Balance Sheet.

Victualling Yard Accounts, 1888–9, p. 19, paras. 7, 8, 9, 10. Q. 2337.

27. Several defects in the Cooperage Balance Sheets were reported upon by the Comptroller and Auditor General. Your Committee have been informed that the subject is being considered by the Admiralty.

Repair Work not included in Manufacturing Balance Sheets.

Victualling Yard Accounts, 1888–9, p. 20, para. 11. Q. 2328–31.

28. With regard to the comments of the Comptroller and Auditor General on the omission of repair work from the Manufacturing Balance Sheets, your Committee understand that the Admiralty will consider whether his views can be met.

Explanation of Differences in Results of Manufacture.

Victualling Yard Accounts, 1888–9, p. 21, para. 15. Q. 2339.

29. On the suggestion of the Comptroller and Auditor General, the Admiralty have agreed in future to introduce, into the Annual Accounts submitted for audit, explanations of differences in the results of manufacture.

Valuation of Stock.

Victualling Yard Accounts, 1888–9, p. 21, para. 17. Q. 2343, 4.

30. The errors in valuation of the remain of Stock at 31st March 1889, pointed out by the Comptroller and Auditor General in paragraphs 17, 18, 19, of his Report, are admitted by the Admiralty, and greater accuracy in future years is anticipated.

IMPERIAL DEFENCE ACT, 1888 (NAVAL SECTION).

AUSTRALASIAN AGREEMENT.

Q. 2215, 16. 51 & 52 Vict. c. 32, s. 2.

31. Your Committee have considered the Report of the Comptroller and Auditor General on the first account rendered under this Act, which provides that "the Treasury shall from time to time issue out of the Consolidated Fund, or the growing produce thereof, such sums, not exceeding in the whole the sum of 850,000 *l.*, as may be required by the Admiralty for the purpose of building, arming, and completing for sea the vessels mentioned in Articles VI. and VII. of the Australasian Agreement," which is set forth in the First Schedule of the Act. The sums so issued are to be "treated as an advance," and are to be "repaid to the Consolidated Fund out of the moneys annually provided by "Parliament for Naval Services. . . . with interest at 3 per cent.," within 12 years from the end of the year of the first issue.

By Article IX. the Agreement is "to become actually binding . . . so soon as the Colonial Legislatures shall have passed special appropriations."

Q. 2217. Q. 2234–7.

It appears from the evidence given to your Committee that these Acts have been passed by the various colonies which were parties to the Agreement, with one exception.

In the case of Queensland it is understood that the necessary legislation will again be introduced, with a probability of success, in the Legislative Council.

Interest Payable by the Colonies.

32. By Article VII. of the Agreement the Colonies are to pay "interest at 5 per cent "on the first and prime cost of these vessels, such payment not to exceed the annual sum "of 35,000 *l.*"

Q. 2224.

It appears that originally the Admiralty expected to spend not more than 700,000 *l.* And the full interest at 5 per cent. would have been covered by this maximum of 35,000 *l.* But the estimate was subsequently increased to 850,000*l.*, and the whole of this sum is

Q. 2226.

being expended. The Comptroller and Auditor General noticed in his Report that, in that case, the payment by the Colonies of 35,000 *l.* will represent a rate of interest of about 4 *l.* 2 *s.* 4 *d.* per cent. instead of 5 per cent.

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GREENWICH HOSPITAL.

CAPITAL AND INCOME ACCOUNTS.

CIVIL SERVICE APPROPRIATION ACCOUNTS.

Statements of Total and Net Cost.

33. These approximate statements appear at the end of the volume of Accounts, in a form which carries out the views expressed by the Public Accounts Committee last year.

Civil Service Appropriation Accounts, 1888–89, p. 604–612.
Public Accounts Committee, Fourth Report, 1889, para. 31.

CLASS I.

VOTE 9.—REVENUE DEPARTMENT BUILDINGS.

34. The Comptroller and Auditor General pointed out, in his Report, that an attempt accurately to adjust expenditure between Post Office Buildings and Telegraph Buildings, *for statistical* purposes, had led the Office of Works into a breach of the statutory requirement that the Account "shall exhibit sums which may have actually come in "*course* of payment" within the financial year.

Civil Service Appropriation Accounts, 1888–89, p. 45.
Exchequer and Audit Act, 1866, sect. 24.

The inclusion in the Account of amounts paid in any anterior period is obviously illegal. A note appended to the Account would sufficiently explain any adjustment that should be made for statistical purposes.

From the evidence on this subject, it appears that the division of expenditure between two groups of Sub-heads of this Vote (Post Office Buildings, Sub-heads K. to O., and Post Office Telegraph Buildings, Sub-heads P. to S.) is of an arbitrary nature. The building on which money is expended under a Post Office Sub-head is the same on which money is spent under a Telegraphs Sub-head.

Q. 2378–9.
Q. 2389.

Your Committee recommend that the Treasury should consider whether the present division of Post Office and Telegraphs Buildings expenditure should be maintained, or the corresponding Sub-heads of the two groups should be amalgamated.

Q. 2396–8.

VOTE 25.—PUBLIC BUILDINGS, IRELAND.

35. A charge of 604*l.*, included in this Account, cannot be allowed; it was not incurred till long after the close of the financial year.

Q. 2422–6.

CLASS II.

VOTE 8.—BOARD OF TRADE.

36. A charge of 6 *l.* 4 *s.*, for a Court of Inquiry, which was not constituted according to the terms of the Merchant Shipping Act, was recommended for disallowance by the Comptroller and Auditor General. But the payment may be admitted, after the explanations given to your Committee.

Q. 2431–3.

VOTE 14.—LAND COMMISSIONERS FOR ENGLAND.

37. Your Committee are informed that the "Expenses Repayable" outstanding have been reduced, during the year 1889, to less than 8,000 *l.* In the Account, to 31st March 1889, they were stated at 11,686 *l.* 2 *s.* 10 *d.*, of which 7,486 *l.* 16 *s* 5 *d.* was on account of advances under the Extraordinary Tithe Redemption Act.

Q. 2456.

VOTE 15.—LOCAL GOVERNMENT BOARD.

38. The anticipation of the Comptroller and Auditor General, mentioned in last year's Report of the Public Accounts Committee, that considerable economies would result from reforms undertaken by the Local Government Board as regards travelling expenses has been satisfactorily realised.

Public Accounts Committee, Fourth Report, para. 37.
Q. 2437.

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VOTE 27.—MERCANTILE MARINE FUND.

Public Accounts Committee, Report, 1887, para. 31; Second Report, 1888, p. 4; Fourth Report, 1889, para. 39.
Q. 2459.
Q. 2460.

39. A great improvement on the condition of this Fund in previous years deserves notice. The deficiency of income, as compared with expenditure, came down in 1888–89 to 4,240 *l.* 1 *s.* 1 *d.*, and your Committee are informed that, in the Account ending March 1890, a surplus of about 20,000 *l.* will be shown. There is still a debt of 200,000 *l.* to the Admiralty (Greenwich Hospital Funds), the loan having been made in August 1886, for 10 years.

Q. 2461.

40. The five years, for which certain financial arrangements were made between the Treasury and the Board of Trade, have terminated. Your Committee learn that the report of a Departmental Committee on this subject, among others, affecting the Mercantile Marine Fund, is under the consideration of the Board of Trade.

Q. 2462.
Public Accounts Committee, 1889, Fourth Report, para. 40.

41. A new form of Account has been prepared by the Treasury, and will be communicated to the Board of Trade and the Audit Office.

Civil Service Appropriation Accounts, 1888–9, p. 174. para. 6.
Q. 2468–76.

42. The Comptroller and Auditor General reported that a disused lighthouse had been let by the Trinity House Corporation for the last 26 years, and that the rent had not been paid into the Mercantile Marine Fund. The explanations offered by the Accounting Officer of the Board of Trade will be found in the evidence, as well as the satisfactory statement that, in this and other similar cases, the rents in question, including those for past years, will be handed over to the Fund.

VOTE 39.—PUBLIC WORKS OFFICE, IRELAND.

Civil Service Appropriation Accounts, 1888–9, p. 210, 215.
Q. 2516–24.
Q. 2521.

43. The circumstances under which a sum of 7,500 *l.* was advanced to the Cork and Muskerry Light Railway, before the conditions of the Treasury had been fulfilled, were reported upon by the Comptroller and Auditor General, and inquired into by your Committee. The conditions have since been fulfilled.

CLASS III.

VOTE 3.—SUPREME COURT OF JUDICATURE.

Civil Service Appropriation Accounts, 1888–9, p. 238–9.
528–30.

44. The question of the scale of travelling expenses allowed to Visitors of Lunatics has been in a condition so unsettled that the Comptroller and Auditor General reported that the Order of 6th March 1876, under which they have been paid, no longer affords satisfactory authority for the allowances. No reply has been received from the Lord Chancellor to a suggestion made by the Treasury in December last for the solution of the difficulty. Your Committee trust that the scale may now be settled without any avoidable delay.

VOTE 12.—PRISONS, ENGLAND AND THE COLONIES.

Q. 2533–6.
Public Accounts Committee, 1888, Second Report, p. 5.

45. Your Committee are assured that the work of dealing with the Prison Charities by Schemes is practically complete.

VOTE 27.—IRISH LAND COMMISSIONERS.

Q. 2551.

46. The Accounting Officer has given an assurance that the Commissioners, as well as himself, will do all in their power to avoid the recurrence of irregularity in rendering accounts and information to the Comptroller and Auditor General by the proper time.

VOTE 30.—CONSTABULARY OF IRELAND.

Civil Service Appropriation Accounts, 1888–9, p. 317, para. 8.
Civil Service Appropriation Accounts, 1888–9, p. 318 (B.)
Q. 2552–4.

47. The question of the legality of the quasi-permanent employment of members of the Royal Irish Constabulary out of Ireland has been raised by the Comptroller and Auditor General. Your Committee do not feel satisfied that the reply which he received from the Inspector General of Constabulary meets the legal point; and they suggest that it should be submitted for the opinion of the Law Officers of the Crown.

Auditor

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CLASS IV.

VOTE 1.—PUBLIC EDUCATION (ENGLAND AND WALES).

48. In cases where a "special grant" of 10 *l.* or 15 *l.* is made, because the population falls below the limit of 300 or 200, the mode of ascertaining the actual population seems sometimes to be uncertain in its operation. The Comptroller and Auditor General reported, and your Committee received evidence, as to three cases of error, one of which results in the disallowance of a grant of 10 *l.* Your Committee are of opinion that a revised regulation is needed, in order to lay down the principles on which the population should be ascertained, and on which a deduction may be made, for example, where an institution, which contributes nothing to the school population, brings the local census above the limit for a "special grant." Civil Service Appropriation Accounts, 1888-9, p. 341.

VOTE 2.—SCIENCE AND ART DEPARTMENT FOR THE UNITED KINGDOM.

49. Attention has been called by the Comptroller and Auditor General to the circumstance that payments have been made without deduction in respect of the successes at examinations of students in subjects such as mathematics, chemistry, &c., by the Science and Art Department, and also in similar subjects by the Intermediate Education Commissioners, Ireland. The matter was considered in 1878, by the Lord President and the Vice President, and has been again referred to them. The decision arrived at on both occasions has been that the funds received by a school out of the Irish Church Surplus should be treated in the same way as an endowment is treated in England. Your Committee are prepared to accept this view. Q. 2577-2584.

50. It is understood that the regulations as to the requisite attendances of art students will in future be strictly observed. Q. 2585.

VOTE 10.—EDUCATION, SCOTLAND.

51. Reference has again been made to some irregularity in the payments to Mr. Todd. The matter has had the attention of the Treasury with a view to some adjustment, and under the peculiar circumstances, your Committee concur with the Treasury that the disallowance of 40 *l.* 6 *s.* 2 *d.* against Mr. Craik may be removed. Q. 2593-2601. Q. 2601. Letter.

CLASS V.

VOTE 1.—DIPLOMATIC SERVICES.

52. A new Sub-head appears under this Vote: Repairs to the Legation House at the Hague, 520 *l.* These repairs have been vouched; they have been undertaken at the cost of the Minister at the Hague for the time being, whose rent allowance will be reduced from 400 *l.* to 333 *l.*, until the amount is repaid. The Treasury have treated it as a final payment, and have charged it to the Diplomatic Services Vote, and not against the Diplomatic Consular Buildings Vote, because the Foreign Secretary and not the First Commissioner of Works was responsible. The circumstances were special, and your Committee do not think it necessary to raise an objection to the course that has been adopted. Q. 2610-2617.

VOTE 6.—SOUTH AFRICA AND ST. HELENA.

53. A balance of 3,000 *l.* due at the close of 1888, on the original grant from the Exchequer to Zululand has now been repaid. Q. 2636.

54. The financial control of Bechuanaland is stated to be in an unsatisfactory condition. This subject should have the attention of the Colonial Office and of the Treasury. Q. 2637.

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CLASS VI.

VOTE 1.—SUPERANNUATION, &c.

Q. 2639–2657. 55. In the case of the pension of Sir Francis Sandford, the Comptroller and Auditor General has reported for disallowance a sum of 164 *l.* 16 *s.* 8 *d.* as not properly chargeable to the Vote, inasmuch as a retrospective effect appears to have been given to a Treasury Warrant. Your Committee have considered the views laid before them by the Treasury, and have decided under the circumstances to admit the payment.

Q. 2658–2693. 56. In the case of Mr. Daniel O'Sullivan, a pension of 277 *l.* 10 *s.* was granted to him, as late Professor in Marlborough-street Training College, although he was only styled Assistant Professor. The Treasury hold that the two offices are identical so far at least as the interpretation of the Treasury Warrant is concerned. Your Committee accept the view put forward by the Treasury. The title of Assistant Professor has now been abolished.

Q. 2694–2717. 57. Objection has been raised to the view of the Treasury with respect to the pension of Mr. Clifford Lloyd, in whose case a period of service in Egypt was allowed to count towards his pension, but your Committee do not insist upon disallowance.

Q. 2718. 58. The case of Mr. James A. Harrison, who had a claim upon the Mint Compassionate Fund, and whose pension has now come upon the Vote, is noticed by the Comptroller and Auditor General; but he does not suggest disallowance.

Q. 2724. 59. An over-payment of 9 *s.* 2 *d.* to Mr. Joseph Bowyer has been refunded.

Q. 2725. 60. The pension of 40 *l.* to Mr. Charles John Irving has been again reported as an irregular payment. Your Committee do not disallow it.

Q. 2772. Q. 2773. Q. 2775. 61. Several small over-payments have been made in error but are not recoverable. As further over-payments will not arise from these errors, your Committee admit the payments.

REVENUE DEPARTMENT.—CUSTOMS.

Q. 2802. 62. An error has occurred in the discharge of some "preferable men" at Cardiff. They had been 10 years in the service, and were then discharged without notice, but with a gift of 22 days' pay, without work being done for this period and without Treasury authority for a special gratuity. The payment was clearly irregular. After full inquiry your Committee are not prepared to disallow it.

INLAND REVENUE.

Q. 2830. 63. Some repayments of income tax to the landlords in the Highlands are held by the Comptroller and Auditor General to be inconsistent with Act 23 Vict. c. 14. The matter is not very clear, and the system of refunding over-payments might with advantage be considered, with a view to more simplicity and regularity of account.

POST OFFICE.

POST OFFICE PACKET SERVICES.

POST OFFICE TELEGRAPHS (CAPITAL ACCOUNT).

WOODS, FORESTS, &c.

CONSOLIDATED FUND.

LOCAL LOANS FUND.

CIVIL CONTINGENCIES.

TREASURY CHEST.

CHELSEA HOSPITAL.

MILITARY FORCES LOCALIZATION.

23 *July* 1890.

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PROCEEDINGS OF THE COMMITTEE.

Wednesday, 23rd July 1890.

MEMBERS PRESENT:

Mr. Barran.	Mr. Salt.
Mr. Webb.	Sir Richard Temple.
Sir Walter Barttelot.	Sir John Lubbock.
Mr. Jackson.	

In the absence of the *Chairman*, Mr. *Salt* was called to the Chair.

DRAFT REPORT, proposed by the *Chairman*, brought up, and read the first time, as follows:—

" ORDNANCE FACTORIES VOTE.

" APPROPRIATION ACCOUNT.

" 1. THE expenses of the Ordnance Factories were, in 1888–9, for the first time provided for separately from the ordinary Army Votes, in consequence of the arrangement to conduct these establishments upon a commercial basis. Q. 751–2.

" The principle of this arrangement is that, with the exception of a small sum representing capital charges, the entire cost of the factories is to be borne by the Departments and Governments which avail themselves of their services. Ordnance Factories Appropriation Account. 1888–9, p. 7, para. 1.

" A net vote of 38,000 *l.* only was thus taken for this expenditure, the gross estimate for which was 2,434,000 *l.*; the balance being expected to be defrayed from Army and Navy Votes, and from other sources, such as the Government of India, &c. *Ibid.*

" *Issues of Army Funds to the Ordnance Factories in anticipation of the Vote.*

" 2. The Comptroller and Auditor General drew attention to the fact that the expenditure upon the Ordnance Factories had been met by issues from Army Balances, in anticipation of a Parliamentary Vote for the expenses of these establishments. *Ibid.*, para. 2.

" The War Office admits that expenditure outside the repayment services should, in future years, be deferred 'until it has been provided for by express Vote, or by a special 'Vote on Account.' *Ibid.*, p. 13 (A. 3). Q. 758.

" 3. It is held by the Treasury that all customers of the Ordnance Factories, namely, the War Office, the Admiralty, the Indian Government, and the Colonies, 'must be prepared to 'advance money to the Factories on account of their orders;' the Treasury 'think it legitimate 'to regard the Ordnance Factories as the agents' of the Departments, &c., and are of opinion that the application of money from the Army or Navy Votes 'to the purpose of a separate 'service like that of the Ordnance Factories, before a Vote in respect of that service for the 'has been taken, is, at least, an undue extension of the present system, whereby the passing of 'one Army or Navy Vote is held to justify expenditure under others.' The Treasury have, therefore, suggested, that 'in future years a Vote on Account, or the whole Vote, for Ordnance 'Factories, should be taken at or before the beginning of each year.' Ordnance Factories Appropriation Account, p. 14 (A. 6). *Ibid.*, p. 16 (A. 9). Q. 760–6.

" The Comptroller and Auditor General takes the same view; and your Committee recommend that Parliamentary sanction should be obtained for the Estimate, by taking the Ordnance Factories Vote at the commencement of the year, at the same time that the Army Vote for Numbers and Vote 1 are taken. As soon as Parliamentary sanction has thus been obtained, money voted under Army Vote 1 may be advanced by the War Office, to meet expenditure of the Ordnance Factories, on account of the Army. Q. 770–6.

" *Credit for Reduction of Stores in Estimate but not in Account.*

" 4. The Comptroller and Auditor General called attention to a departure from the arrangement contemplated in the Estimate, viz., that from the value of the Ordnance Factories' production, on account of Vote 12, there should be a deduction, estimated at 100,000 *l.*, in respect of the anticipated use of stores which had been purchased in previous years at the expense of that Vote. Ordnance Factories Appropriation Account, 1888–9, p. 9, para. 7.

" An increased charge consequently fell upon Vote 12, and a corresponding addition was made to the Appropriations-in-Aid of the Ordnance Factories Vote. 781, 5, 6.

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Q. 780. "It appears from the evidence that the former Director General of Ordnance Factories had expressed the opinion that the stock would admit of a reduction to the value of about 100,000 *l.* in the year 1888-9. Hence it was decided to give credit to this extent to the Army Stores manufactured during the year. But the amount of Stock in the possession of the Factories at the commencement of the year proved insufficient for the reduction that had been contemplated; the benefit in price that it had been intended to give to Vote 12 was therefore not realised.

"You Committee hold that so material a deviation from the Estimate, affecting as it does both the Votes of the Army and the Ordnance Factories, should have been clearly recorded and explained in the Account.

"Credit for Sale of Stores.

Ordnance Factories Appropriation Account, 1888-9, p. 10, para. 9. Q. 854-68. "5. The question of the correct mode of charging stores, which, not being needed, are transferred from the Factories to the Commissary General of Ordnance for sale is one of the subjects under the consideration of a Departmental Committee. Your Committee, therefore, only remark that it is irregular to credit the Ordnance Factories Vote with any amount beyond that actually realised by sale.

"Errors in Statement of Appropriation-in-Aid.

Ordnance Factories Appropriation Account, 1888-9, p. 10, para. 10. *Ibid.*, p. 11, para. 11. "6. The Comptroller and Auditor General drew attention in his Report to the fact that sums amounting to 79,684 *l.* – *s.* 7 *d.* had not been received during the period of the Account, although included among the Appropriations-in-Aid, and that a portion of the amount was still outstanding at the date of his Report. He also pointed out that a further sum of 1,100 *l.* 4 *s.* 9 *d.*, which had been actually received, had been excluded from the Account upon apparently insufficient grounds.

Q. 876. "Upon the principle laid down by the Treasury, that the date of receipt should govern the date of credit, the sum of 79,684 *l.* – *s.* 7 *d.* should not have been credited, as if received,

Q. 877. to Appropriations-in-Aid. It is also admitted that the amount omitted, 1,100 *l.* 4 *s.* 9 *d.*, should

Q. 994. have been included in the Appropriation Account.

"If these amounts were deducted and added respectively, the Account, instead of exhibiting a surplus of 18,036 *l.* 14 *s.* 9*d.*, would show a net deficit of 60,547 *l.* 1 *s.* 1 *d.*

888, 9. "In the case of an ordinary Vote, your Committee would probably have reported that a

Q. 890-5. Vote should be taken for this deficiency. But in this case the money thus voted would simply

Q. 997. be surrendered to the Exchequer. Your Committee therefore adopt the suggestion made on behalf

Vide supra, para. 3. of the Treasury that the amount in question should be charged against the Accounting Officer until it is realised. The recurrence of a similar irregularity would be rendered impossible by

Q. 989-93. the adoption of the system recommended by the Treasury, under which full advances would be made, in the form probably of a deposit account, by each Department and Government employing the Ordnance Factories.

"ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES.

"FORM OF ACCOUNTS.

52 & 53 Vict. c. 31, s. 1. "7. For the first time, the Comptroller and Auditor General has reported to Parliament on these Accounts, in pursuance of the Army and Navy Audit Act, 1889, which directs that accounts shall be prepared and rendered to him in each year for audit, on behalf of the House of Commons, and for report, and that the Accounts are to 'show the cost of labour employed, and 'the value of stores expended in the several Ordnance Factories, and Manufacturing Establishments of the Army.'

The form of these Accounts is to be such 'as the Treasury from time to time direct or

Q. 1023-6. approve.' Apparently, through an omission, this approval has not been obtained.

Q. 1003. The Comptroller and Auditor General has raised no objection to the general scope of the

Vide infra, para. 9. Accounts, except as regards insufficiency of detail in the Indirect Expenditure Statement. To this further reference will be made.

"Primary Records of the Factory Accounts.

Q. 998, 9. "8. It is to these that the Comptroller and Auditor General's test audit has been chiefly diretted, especially as regards the detailed allocation of labour and materials to orders. It has been the practice of the 'Accountant and Auditor' of the War Office, acting on behalf of the Secretary of State and under specified instructions, to commence his examination of the Factory

Ordnance Factories Account, 1888-9, p. 159. Accounts at the second stage of accounting, that, namely, of checking in the Cost Ledger the abstracts of both wages and materials; and the various Superintendents of Factories have been held solely responsible for the whole of the details of allocation of wages and materials.

Q. 999-1001. "This fact enhances the importance of a full investigation of the questions raised on this part of his audit by the Comptroller and Auditor General. They have been referred by the War Office to a Departmental Committee which is now sitting.

Q. 1021. "Your Committee were informed by Mr. Knox, the Accountant General of the War Office, that, after the Report of the Committee presided over by Lord Morley, the Secretary of State

is

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is disinclined to incur any further expense in watching the details as to the allocation of expenditure on wages, but would be willing to assent to any improvements which could be effected within the limits of the present outlay. The War Office has been informed by the Comptroller and Auditor General that his contention is that some amendment may probably be found practicable which would not entail additional expense. Ordnance Factories Accounts, 1888-9, p. 176 (G.)

"*Items of Indirect Expenditure.*

"9. The Comptroller and Auditor General has called attention to the advantage which would result from a sub-division of large items in the Indirect Expenditure Statement, namely, 'Wages not chargeable direct, 205,7721 *l.*,' and 'Materials not chargeable direct, 87,583 *l.*;' and Mr. Knox stated that some sub-division would certainly be advisable. Your Committee therefore anticipate that this improvement will be introduced. *Ibid.*, p. 166, para. 20. Q. 1003. Q. 1006.

"*Depreciation of Buildings and Machinery.*

"10. The question of the proper mode of treating sums received from customers for depreciation of buildings and machinery was raised by the Comptroller and Auditor General, and was the subject of evidence from him and from representatives of the War Office and Treasury. It appears to require further consideration and is not ripe for decision. Ordnance Factories Accounts, 1888-9, p. 166, para. 21. Q. 1007-14. Q. 1015.

"*Comparison of Cost Results.*

"11. The Comptroller and Auditor General pointed out in his Report that the cost results set out in the 'Production Statement' are the point to which his audit is ultimately directed, and that if these results are proved to be substantially correct, a standard is established by which Parliament might hope, by comparative test with outside prices, to judge of the economical working of the Army Manufacturing Establishments. At present he has not the means of establishing comparisons on behalf of Parliament, but if the War Office furnished comparative statements where practicable, he would be able to check their accuracy Ordnance Factories Account, 1888-9, p. 167, para. 24. Q. 1016.

"It seems to be worthy of consideration whether such statements should not be prepared and submitted annually.

"*Transfers, Semi-Manufactures, and Production Ledgers.*

"12. Regarding these points, the questions raised by the Comptroller and Auditor General will be considered by the Departmental Committee already mentioned. Ordnance Factories Account 1888-9, pp. 167, 8, paras. 25, 26, 28, 29; p. 170, para. 43.

"*Stocktaking.*

"13. The balance of stores in stock on the 31st March 1889 is given in the Accounts as 388,981 *l.* 4 *s.* 7 *d.* Your Committee have been informed that this value is fairly trustworthy, and, that, considering that test stocktaking goes on continually, it may be taken to be right within 15 per cent.; that it is not the duty of the Comptroller and Auditor General to take stock; and that a complete stocktaking, such as the Director General of the Ordnance Factories would like to institute, would, in his opinion, be a formidable task, and would involve not only great expense, but also the closing of the Factories for at least a week. Q. 1060. Q. 1130. Q. 1071. Q. 1075, 6, 1119.

"ANNUAL ACCOUNTS OF THE ROYAL ARMY CLOTHING FACTORY.

"14. Under the Army and Navy Audit Act, 1889, these Accounts also have been submitted to the Comptroller and Auditor General.

"Owing to the necessarily late period of the year when his audit of Army Manufacturing Accounts commenced, a test examination of the Clothing Factory Account proved impossible. But he has made a personal inspection of the books and accounts with a view to a test examination of the Accounts of 1889–90 at an early date. Q. 1141-4.

"DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS.

"15. Although the results of a test examination of these Accounts by the Comptroller and Auditor General were laid before Parliament and submitted to the Public Accounts Committee in 1881 and 1889, this is the first occasion on which he has reported on these Accounts under statutory powers, in consequence of the Act passed in the last Session. That Act directs that 'Accounts, showing the distribution and cost of labour employed, and the value of Stores 'expended in the several Government Dockyards, and Manufacturing Establishments of the 'Navy, in and out of the United Kingdom,' shall be prepared and rendered to the Comptroller and Auditor General annually, and shall be examined by him on behalf of the House of Commons, 'with reference to the Programme of Ship-building and other work for which money 'has been provided, either by special Act, or out of money appropriated for Navy Services by 'an Appropriation Act,' and that he shall report on these Accounts." Q. 2246, 7. 52 & 53 Vict. c. 31, s. 1.

 "16. These

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" Distributive Statements and Programme of Ship-building,

" 16, These Statements and a Programme having been introduced into the Navy Estimates for the year 1888–9, in the hope that Parliamentary control could in future be exercised over the use as well upon the purchase of materials, and over the particular services upon which labour is employed, it has now become possible to compare the corresponding actual expenditure of the year, in connection with ship-building, repairing, and the like, with these Statements.

Q. 2248, 9.

" Scope of Audit.

" 17. The test audit having commenced at a late period of the year, it has only been applied to the Chatham, Devonport, and Portsmouth Dockyards; but, in future years, all the Home Dockyards will come under examination.

Q. 2250–1.

" Steam Reserve Labour not Charged to Ships, &c.

Expense Accounts. 1888–9, p. 296, para. 4.

" 18. The Comptroller and Auditor General in his Report called attention to the fact that the value of the labour of certain seamen pensioners, who are a distinct body of men, employed under the Captain of the Steam Reserve, is not charged to the ships and services upon which they are engaged.

" Your Committee have been informed that the questions raised by a communication from the Comptroller and Auditor General to the Admiralty are still under their consideration with a view to an early decision.

Q. 2252–8.

" Issues of Stores to Captain of Steam Reserve.

Expense Accounts, 1888–9, p. 296, para. 6.

" 19. When Stores have been issued from the Storekeeper's charge to the Captain of the Steam Reserve, in order to be laid apart for future use, it is desirable, as the Comptroller and Auditor General suggested in his Report, to keep touch with those stores. The Admiralty propose to do this by means of Store Accouts; and a scheme is being prepared with that object. They propose, further, to secure a proper verification by annual survey of both the quality and quantity of stores thus laid apart. Your Committee look to the Comptroller and Auditor General to report, after experience of its working, as to the adequacy of this scheme.

Q. 2259–62.

" Stores returned from Ships.

Expense Accounts, 1888–9, p. 297, para. 8.

" 20. Respecting the criticisms of the Comptroller and Auditor General upon the mode in which stores returned from ships are re-valued, and a depreciation has, in some cases, been debited to individual ships, it has been admitted, on behalf of the Admiralty, that inaccuracies have resulted, and that a change of practice should be introduced. The Comptroller and Auditor General will, doubtless, if necessary, report upon this subject again in a subsequent year.

Q. 2263–8.

" Foreign Yard Accounts.

Expense Accounts, 1888–9, p. 298 391, paras. 1), 18, 20, 23.

" 21. In each of the three years during which the Comptroller and Auditor General has examined the Expense Accounts, he has commented on the unsatisfactory state of the Foreign Dockyards Accounts. Your Committee learn that the Director of Dockyards and the Inspector of Dockyard Accounts have already visited Malta and Gibraltar, and are about to visit other Foreign Yards, in order to suggest amendments. Your Committee have not, therefore, inquired into the details of this subject; but its importance leads them to remark that improvement should be effected without any avoidable delay.

Q. 2272–4.

" Manufacturing Accounts.

Expense Accounts, 1888–9, p. 298–9, paras. 11 17.

" 22. The comments of the Comptroller and Auditor General upon the Manufacturing Accounts are under consideration by the Admiralty, and he informs your Committee that he has reason to expect amendment.

Q. 2275–6.

" Programme and Performance (Shipbuilding, Repairing, &c.).

Expense Accounts, 1888–9, p. 300, paras. 20, 21.

" 23. In his Report the Comptroller and Auditor General made a contrast between the estimated and the actual expenditure, and analysed the differences. His suggestions for certain improvements and explanations in the returns and accounts furnished for audit are accepted by the Admiralty.

Q. 2277–80.

" Omission of the Values of Lands, Buildings, and Machinery from the Accounts.

Expense Accounts, 1888–9, p. 301, para. 27.

" 24. The Report of the Comptroller and Auditor General called attention to the fact that the Values of Lands, Buildings, and Machinery have been omitted from the Accounts for 1888–89. He had ascertained that the Admiralty did not think it worth while to go to great expense in obtaining a professional valuation. Moreover, the Admiralty appear to hold that a revised departmental valuation would be unreliable. The Comptroller and Auditor General is of opinion that as the Admiralty have skilled officers attached to the Works Department at most of the Dockyards, their services might be employed in order to obtain an approximate valuation, similar to that which in the Ordnance Factory Accounts serves as a basis for the distribution of depreciation charges among the results of manufacture.

Q. 2283–4.

Q. 2282.

Q. 2283–9.

Q. 2312.

" Your Committee deem the point thus raised to be one deserving careful consideration.

" 25. Explanations

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"*Works Accounts, Vote* 10.

"25. Explanations were given to your Committee of the exceptional circumstances under which large accumulations of surplus stock occurred towards the close of certain extension works at Portsmouth and Chatham. The Admiralty intend to use the surplus for other purposes. Q. 2313-17.

"VICTUALLING YARD MANUFACTURING ACCOUNTS.

"26. The Victualling Yard Manufacturing Accounts were discontinued for some years, but have been re-instituted in 1888–89, in accordance with the opinion of the Public Accounts Committee, 1889, that 'some Accounts of this nature should be rendered in future, but not 'necessarily in so elaborate a form as those of the Shipbuilding Dockyards." Q. 2318. Public Accounts Committee, Fourth Report, 1889, para. 30.

"The Admiralty have limited these Accounts to purely manufacturing operations, which cover an extent of about 79,000 *l.* out of a total of about 1,200,000 *l.* included in Vote 2 for the Navy. The Comptroller and Auditor General has raised the question whether the ground thus covered is sufficient. But as the Admiralty point to the expense of rendering fuller accounts, your Committee suggest that the subject should be considered by the Treasury before it comes before the Public Accounts Committee in a future year. Q. 2319-26.

"*Cooperage Balance Sheet.*

"27. Several defects in the Cooperage Balance Sheets were reported upon by the Comptroller and Auditor General. Your Committee have been informed that the subject is being considered by the Admiralty. Victualling Yard Accounts, 1888–9, p. 19, paras. 7, 8. 9, 10. Q. 2327.

"*Repair Work not included in Manufacturing Balance Sheets.*

"28. With regard to the comments of the Comptroller and Auditor General on the omission of repair work from the Manufacturing Balance Sheets, your Committee learn that the Admiralty will consider whether his views can be met. Victualling Yard Accounts, 1888–9, p. 20 para. 11. Q. 2328–31.

"*Explanation of Differences in Results of Manufacture.*

"29. On the suggestion of the Comptroller and Auditor General, the Admiralty have agreed in future to introduce, into the Annual Accounts submitted for audit, explanations of differences in the results of manufacture. Victualling Yard Accounts, 1888–9 p. 21, para. 15. Q. 2339.

"*Valuation of Stock.*

"30. The errors in valuation of the remain of Stock at 31st March 1889, pointed out by the Comptroller and Auditor General in paragraphs 17, 18, 19, of his Report, are admitted by the Admiralty, and greater accuracy in future years is anticipated. Victualling Yard Accounts, 1888–9, p. 21, para. 17. Q. 2343, 4.

"IMPERIAL DEFENCE ACT, 1888 (NAVAL SECTION).

"AUSTRALASIAN AGREEMENT.

"31. Your Committee have considered the Report of the Comptroller and Auditor General on the first account rendered under this Act, which provides that 'the Treasury shall from time to time issue out of the Consolidated Fund, or the growing produce thereof, such sums, not exceeding in the whole the sum of 850,000 *l.*, as may be required by the Admiralty for the purpose of building, arming, and completing for sea the vessels mentioned in Articles VI. and VII. of the Australasian Agreement," which is set forth in the First Schedule of the Act. The sums so issued are to be 'treated as an advance,' and are to be 'repaid to the Consolidated Fund out of the moneys annually provided by 'Parliament for Naval Services. . . . with interest at 3 per cent.,' within 12 years from the end of the year of the first issue. Q. 2215, 16. 51 & 52 Vict. c. 32, s. 2.

"By Article IX. the Agreement is 'to become actually binding . . . so soon as the Colonial Legislatures shall have passed special appropriations.'

"It appears from the evidence given to your Committee that these Acts have been passed by the various colonies which were parties to the Agreement, with one exception. Q. 2217. Q. 2234–7.

"In the case of Queensland it is understood that the necessary legislation will again be introduced, with a probability of success, in the Legislative Council.

"*Interest payable by the Colonies.*

"32. By Article VII. of the Agreement, the Colonies are to pay 'interest at 5 per cent. on 'the first and prime cost of these vessels, such payment not to exceed the annual sum of 35,000 *l.*'

"It appears that originally the Admiralty expected to spend not more than 700,000 *l.* And the full interest at 5 per cent. would have been covered by this maximum of 35,000 *l.* But the estimate was subsequently increased to 850,000 *l.*, and the whole of this sum is being expended. The Comptroller and Auditor General noticed in his Report that, in that case, the payment by the Colonies of 35,000 *l.* will represent a rate of interest of about 4 *l.* 2 *s.* 4 *d.* per cent. instead of 5 per cent. Q. 2224. Q. 2226.

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"GREENWICH HOSPITAL.

"CAPITAL AND INCOME ACCOUNTS.

"CIVIL SERVICE APPROPRIATION ACCOUNTS.

"Statements of Total and Net Cost.

Civil Service Appropriation Accounts, 1888–89, pp. 604–612.

"33. These approximate statements appear at the end of the volume of Accounts, in a form which carries out the views expressed by the Public Accounts Committee last year.

Public Accounts Committee, Fourth Report, 1889, para. 31.

"CLASS I.

"VOTE 9.—REVENUE DEPARTMENT BUILDINGS.

Civil Service Appropriation Accounts, 1888–89, p. 45.

Exchequer and Audit Act, 1866, sect. 24.

"34. The Comptroller and Auditor General pointed out, in his Report, that an attempt accurately to adjust expenditure between Post Office Buildings and Telegraph Buildings, for statistical purposes, had led the Office of Works into a breach of the statutory requirement that the Account 'shall exhibit sums which may have actually come in course of payment' within the financial year.

"The inclusion in the Account of amounts paid in any anterior period is obviously illegal. A note appended to the Account would sufficiently explain any adjustment that should be made for statistical purposes.

Q. 2378–9.

"From the evidence on this subject, it appears that the division of expenditure between two groups of Sub-heads of this Vote (Post Office Buildings, Sub-heads K. to O., and Post

Q. 2399.

Office Telegraph Buildings, Sub-heads P. to S.) is to some extent of an arbitrary nature. The building on which money is expended under a Post Office Sub-head is the same on which money

Q. 2396–8.

is spent under a Telegraphs Sub-head.

"Your Committee recommend that the Treasury should consider whether the present division of Post Office and Telegraphs Buildings expenditure should be maintained, or the corresponding Sub-heads of the two groups should be amalgamated.

"VOTE 25.—PUBLIC BUILDINGS, IRELAND.

Q. 2422–6.

"35. A charge of 604 *l.*, included in this Account, cannot be allowed; it was not incurred till long after the close of the financial year.

"CLASS II.

"VOTE 8.—BOARD OF TRADE

"36. A charge of 6 *l.* 4 *s.* for a Court of Inquiry, which was not constituted according to the terms of the Merchant Shipping Act, was disallowed by the Comptroller and Auditor General. But the payment may be admitted, after the explanations given to your

Q. 2431–3.

Committee.

"VOTE 14.—LAND COMMISSIONERS FOR ENGLAND.

Q 2456.

"37. Your Committee are informed that the 'Expenses Repayable" outstanding have been reduced, during the year 1889, to less than 8,000 *l.* In the Account, to 31st March 1889, they were stated at 11,686 *l.* 2 *s.* 10 *d.*, of which 7,486 *l.* 16 *s.* 5 *d.* was on account of advances under the Extraordinary Tithe Redemption Act.

"VOTE 15.—LOCAL GOVERNMENT BOARD.

Public Accounts Committee, Fourth Report, para. 37.

Q. 2437.

"38. The anticipation of the Comptroller and Auditor General, mentioned in last year's Report of the Public Accounts Committee, that considerable economies would result from the reforms undertaken by the Local Government Board as regards travelling expenses has been satisfactorily realised.

"VOTE 27.—MERCANTILE MARINE FUND.

Public Accounts Committee, Report 1887, para. 31; Second Report, 1888,

"39. A great improvement on the condition of this Fund in previous years deserves notice. The deficiency of income, as compared with expenditure, came down in 1888–9 to 4,240 *l.* 1 *s.* 1 *d.*, and your Committee are informed that, on the Account ending March 1890, a surplus of about 20,000 *l*

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20,000 *l.* will be shown. There is still a debt of 200,000 *l.* to the Admiralty (Greenwich Hospital Funds), the loan having been made in August 1886, for 10 years. p. 4: Fourth Report, 1889, para. 39. Q. 2459. Q. 2460.

"40. The five years, for which certain financial arrangements were made between the Treasury and the Board of Trade, have terminated. Your Committee learn that the report of a Departmental Committee on this subject, among others, affecting the Mercantile Marine Fund, is under the consideration of the Board of Trade. Q. 2461.

"41. A new form of Account has been prepared by the Treasury, and will be submitted to the Board of Trade and the Audit Office. Q. 2462. Public Accounts Committee, 1889, Fourth Report, para. 40.

"42. The Comptroller and Auditor General reported that a disused lighthouse had been let by the Trinity House Corporation for the last 26 years, and that the rent had not been paid into the Mercantile Marine Fund. The explanations offered by the Accounting Officer of the Board of Trade will be found in the evidence, as well as the satisfactory statement that, in this and other similar cases, the rents in question, including those for past years, will be handed over to the Fund. Civil Service Appropriation Accounts, 1888–9, p. 174, para. 6. Q. 2469–76.

"VOTE. 39.—PUBLIC WORKS OFFICE, IRELAND.

"43. The circumstances under which a sum of 7,500 *l.* was advanced to the Cork and Muskerry Light Railway, before the conditions of the Treasury had been fulfilled, were reported upon by the Comptroller and Auditor General, and inquired into by your Committee. The conditions have since been fulfilled; but the payment was irregular at the time it was made, and cannot be charged to the Account for the year 1888–89. Civil Service Appropriation Accounts, 1888–9, p. 210, 215. Q. 2516–24. Q. 2521.

"CLASS III.

"VOTE 3.—SUPREME COURT OF JUDICATURE.

"44. The question of the scale of travelling expenses allowed to Visitors of Lunatics has been in a condition so unsettled that the Comptroller and Audieor General reported that the Order of 6th March 1876, under which they have been paid, no longer affords satisfactory authority for the allowances. No reply has been received from the Lord Chancellor to a suggestion made by the Treasury in December last for the solution of the difficulty. Your Committee trust that the scale may now be settled without any avoidable delay. Civil Service Appropriation Accounts, 1888, p. 238–9. Q. 2528–30.

"VOTE 12.—PRISONS, ENGLAND AND THE COLONIES.

"45. Your Committee are assured that the work of dealing with the Prison Charities by Schemes is practically complete. Q. 2533–6. Public Accounts Committee, 1888, Second Report, p. 5.

"VOTE 27.—IRISH LAND COMMISSIONERS.

"46. The Accounting Officer has given an assurance that the Commissioners and he will do all in their power to avoid the recurrence of irregularity in rendering accounts and information to the Comptroller and Auditor General by the proper time. Q. 2551.

"VOTE 30.—CONSTABULARY OF IRELAND.

"47. The question of the legality of the quasi-permanent employment of members of the Royal Irish Constabulary out of Ireland has been raised by the Comptroller and Auditor General. Your Committee do not feel satisfied that the reply which he received from the Inspector General of Constabulary meets the legal point; and they suggest that it should be submitted for the opinion of the Law Officers of the Crown. Civil Service Appropriation Accounts,1888–9, p. 317, para. 8. Civil Service Appropriation Accounts, 1828–9, p. 318 (B.) Q. 2552–4.

"CLASS IV.

"VOTE 1.—PULIC EDUCATION (ENGLAND AND WALES).

"48. In cases where a 'special grant' of 10 *l.* or 15 *l.* is made, because the population falls below the limit of 300 or 200, the mode of ascertaining the actual populations seems sometimes to be uncertain in its results. The Comptroller and Auditor General reported, and your Committee received evidence, as to three cases of error, one of which results in the disallowance of a grant of 10 *l.* Your Committee are of opinion that a revised regulation is needed, in order to lay down the principles on whieh the population should be ascertained, and on which a deduction may be made, for example, where an institution, which contributes nothing to the school population, brings the local census above the limit for a 'special grant.'" Civil Service Appropriation Accounts, 1888–9, p. 341.

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DRAFT REPORT, proposed by the *Chairman*, read a second time, paragraph by paragraph.

Paragraphs 1—9, *agreed to.*
Paragraphs 10—11, amended, and *agreed to.*
Paragraphs 12—24, *agreed to.*
Paragraphs 25—26, amended, and *agreed to.*
Paragraph 27, *agreed to.*
Paragraph 28, amended, and *agreed to.*
Paragraphs 29—33, *agreed to.*
Paragraph 34, amended, and *agreed to.*
Paragraph 35, *agreed to.*
Paragraph 36, amended, and *agreed to.*
Paragraphs 37—40, *agreed to.*
Paragraph 41, amended, and *agreed to.*
Paragraph 42, *agreed to.*
Paragraph 43, amended, and *agreed to.*
Paragraphs 44—45, *agreed to.*
Paragraph 46, amended, and *agreed to.*
Paragraph 47, *agreed to.*
Paragraph 48, amended, and *agreed to.*

DRAFT REPORT, proposed by Mr. *Salt*, brought up, and read the first time, as follows:—

"CIVIL SERVICE ESTIMATES.

"CLASS IV.

"VOTE 2.—SCIENCE AND ART DEPARTMENT FOR THE UNITED KINGDOM.

Q. 2577-2584. "1. Attention has been called by the Comptroller and Auditor General to the circumstance that payments have been made without deduction in respect of the successes at examinations of students in subjects such as mathematics, chemistry, &c., by the Science and Art Department, and also in similar subjects by the Intermediate Education Commissioners, Ireland. The matter was considered in 1878, by the Lord President and the Vice President, and has been again referred to them. The decision arrived at on both occasions has been that the funds received by a school under the Irish Church Act should be treated in the same way as an endowment is treated in England. Your Committee is prepared to accept this view. It is
Q. 2585. understood that the regulations as to the requisite attendances of art students will in future be strictly observed.

"VOTE 10.—EDUCATION, SCOTLAND.

Q. 2593-2601. "2. Reference has again been made to some irregularity in the payments to Mr. Todd.
Q. 2601. Letter. The matter has had the attention of the Treasury with a view to some adjustment, and under the peculiar circumstances, your Committee concur with the Treasury that the disallowance of 40 *l.* 6 *s.* 2 *d.* against Mr. Craik may be removed.

CLASS V.

"VOTE 1.—DIPLOMATIC SERVICES.

Q. 2610-2617. "3. A new Sub-head appears under this Vote: Repairs to the Legation House at the Hague, 520 *l.* These repairs have been vouched; they have been undertaken at the cost of the Minister at the Hague for the time being, whose salary will be reduced from 400 *l.* to 333 *l.*, until the amount is repaid. The Treasury have treated it as a final Vote, and have charged it to the Diplomatic Services Vote, and not against the Diplomatic Consular Buildings Vote, because the Foreign Secretary and not the First Commissioner of Works was responsible. The transaction is peculiar, and your Committee do not think it necessary to raise an objection to the course that has been adopted.

"VOTE 6.—SOUTH AFRICA AND ST. HELENA.

Q. 2636. "4. A balance of 3,000 *l.* due at the close of 1888, on the original grant from the Exchequer to Zululand has now been repaid.

Q. 2637. "5. The financial control of Bechuanaland is stated to be in an unsatisfactory condition. This should have the attention of the Colonial Office and of the Treasury.

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"CLASS VI.

"VOTE 1.—SUPERANNUATION, &c.

"6. In the case of the pension of Sir Francis Sandford, the Comptroller and Auditor General has reported for disallowance a sum of 164 *l.* 16 *s.* 8 *d.* as not properly chargeable to the Vote, inasmuch as a retrospective effect appears to have been given to a Treasury Warrant. Your Committee have considered the views laid before them by the Treasury, and have decided under the circumstances to admit the payment. Q. 2639-2657.

"7. In the case of Mr. Daniel O'Sullivan, a pension of 277 *l.* 10 *s.* was granted to him, as late Professor in Marlborough-street Training College, although he was only styled Assistant Professor, The Treasury hold that the two offices are identical so far at least as the interpretation of the Treasury Warrant is concerned. Your Committee accept the view put forward by the Treasury. The title of Assistant Professor has now been abolished. Q. 2683-2693.

"8. Your Committee also raise no objection to the view of the Treasury with respect to the pension of Mr. Clifford Lloyd, in whose case a period of service in Egypt was allowed to count towards his pension. Q. 2694-2717.

"9. The case of Mr. James A. Harrison, who had a claim upon the Mint Compassionate Fund, and whose pension has now come upon the Vote, is noticed by the Comptroller and Auditor General; but he does not suggest disallowance. Q. 2718.

"10. An over-payment of 9 *s.* 2 *d.* to Mr. Joseph Bowyer has been refunded. Q. 2734.

"11. The pension of 40 *l.* to Mr. Charles John Irving has been again reported as an irregular payment. Your Committee do not on the present occasion disallow it. Q. 2725.

"12. Various over-payments have been made in error, and are not recoverable. Q. 2772.
Q 9773.

"13. As further over-payments will not arise from these errors, your Committee are prepared to admit them. Q 2775.

"REVENUE DEPARTMENT.—CUSTOMS.

"14. An error has occurred in the discharge of some 'preferable men' at Cardiff. They had been 10 years in the service, and were then discharged without notice, but with a gift of 22 days' pay, without work being done for this period and without Treasury authority for a special gratuity. The payment was clearly irregular. Under the peculiar circumstances, your Committee, however, are not prepared to disallow it. Q. 2802.

"INLAND REVENUE.

"15. Some repayments of income tax to the landlords in the Highlands are held by the Comptroller and Auditor General to be inconsistent with Act 23 Vict. c. 14. The matter is not very clear, and the system of refunding over payments might with advantage be considered, with a view to more simplicity and regularity of account." Q. 2830.

POST OFFICE.

POST OFFICE PACKET SERVICES.

POST OFFICE TELEGRAPHS (CAPITAL ACCOUNT).

WOODS, FORESTS, &c.

CONSOLIDATED FUND.

LOCAL LOANS FUND.

CIVIL CONTINGENCIES.

TREASURY CHEST.

CHELSEA HOSTITAL.

MILITARY FORCES LOCALIZATION.

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DRAFT REPORT, proposed by Mr. *Salt*, read a second time, paragraph by paragraph.

Paragraph 1, amended, and *agreed to.*

Paragraph 2, *agreed to.*

Paragraph 3, amended, and *agreed to.*

Paragraph 4, *agreed to.*

Paragraph 5, amended, and *agreed to.*

Paragraphs 6—7, *agreed to.*

Paragraph 8, amended, and *agreed* to.

Paragraphs 9—10, *agreed to.*

Paragraphs 11—14, amended, and *agreed* to.

Paragraph 15, *agreed to.*

Question, That the Draft Report, proposed by the *Chairman*, as amended, and the Draft Report, proposed by Mr. *Salt*, as amended, be the Fifth Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of the Evidence and Appendix.

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MINUTES OF EVIDENCE.

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LIST OF WITNESSES.

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MINUTES OF EVIDENCE.

Wednesday, 18th June 1890.

MEMBERS PRESENT:

Mr. Barran.	Sir John Lubbock.
Sir Walter Barttelot.	Mr. Salt.
Mr. Sydney Buxton.	Sir Richard Temple.
Mr. Donald Crawford.	Mr. Webb.
Sir Ughtred Kay-Shuttleworth.	Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

IMPERIAL DEFENCE ACT, 1888 (NAVAL SECTION).

AUSTRALASIAN AGREEMENT.

ACCOUNT, 1883–89.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. STEPHEN EDWARD SPRING-RICE, re-called; and further Examined.

Sir GERALD FITZGERALD, K.C.M.G., re-called; and further Examined.

PROVISIONS OF THE IMPERIAL DEFENCE ACT OF 1888.

Chairman.

2215. (To Sir *C. L. Ryan.*) I THINK this is the first occasion on which a Report has been presented on the Account of the Imperial Defence Act, 1888–89?—That is so.

2216. In the summary that you give in your Report of the Act you mention it provides "that the Treasury shall issue out of the Consolidated Fund such sums not exceeding in the whole the sum of 850,000 *l.*, as may be required by the Admiralty for the purpose of building, arming, and completing for sea the vessels mentioned in the Australasian Agreement," and that the sums so issued are to be treated as an advance and are to be repaid to the Consolidated Fund out of the monies annually provided by Parliament, with interest at 3 per cent.; and that the colonies are to pay interest at 5 per cent. on the first cost of these vessels, but such payment is not to exceed the annual sum of 35,000 *l.*?—That is so.

AUSTRALASIAN AGREEMENT.

Chairman.

2217. (To Sir *Gerald FitzGerald.*) It seems also to be provided that the agreement which is scheduled to the Act shall be considered to become actually binding between the Imperial and the Colonial Governments so soon as the Colonial Legislatures shall have passed certain Acts; have those Acts been passed in the case of all the colonies yet?—No; the Queensland Government has not yet passed the Act.

2218. What is the consequence of Queensland standing out and not passing the Act?—The agreement being a joint one, presumably the other colonies will have to bear an additional proportion of the charge.

2219. But meanwhile what becomes of the interest on the money; that is paid, I suppose, on the part of Queensland?—No; money is yet due, the ships not being completed.

2220. (To Sir *C. L. Ryan.*) I see you state in your Report that you addressed a letter to the Admiralty, and you received no answer upon the subject; have you received an answer yet?—Yes; to the effect that Sir Gerald FitzGerald has just stated.

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. SPRING-RICE, and Sir G. FITZGERALD, K.C.M.G. [*Continued.*

IMPERIAL DEFENCE ACT.

INTEREST PAYABLE BY THE COLONIES IN RESPECT OF THE FIRST COST OF THE AUSTRALIAN SQUADRON.

Chairman.

2221. (To Sir *Gerald FitzGerald.*) It appears that the total maximum expenditure of 850,000 *l.* is the amount which it is proposed to spend; is that so?—Yes.

2222. It is probable that the whole of that will be spent?—Yes.

2223. (To Mr. *Spring-Rice.*) Under those circumstances the Comptroller and Auditor General points out that owing to the limitation of the annual payment for interest to 35,000 *l.*, the rate of interest payable by the colonies would not be 5 *l.* per cent., but only 4 *l.* 2 *s.* 4 *d.*?—Yes; if the expenditure amounts to 850,000 *l.*

2224. Is he right in the inference that he draws that it was originally expected only to expend 700,000 *l.*, upon which 5 *l.* per cent. would be paid, and that this 850,000 *l.* is more than was originally contemplated?—Perhaps the Admiralty representative is better able to speak as to the basis of the estimate. (Sir *Gerald FitzGerald.*) That was so. After the agreement was entered into, the Admiralty found it would be necessary to increase the estimate to 850,000 *l.*, which amount was put into the Act.

2225. (To Sir *C. L. Ryan.*) You point out that there will be a loss, therefore, to the British Exchequer of 17 *s.* 8*d.* a year per cent.?—That would be the effect of the arrangement. (Sir *Gerald FitzGerald.*) I may point out, however, that the ships are really Admiralty ships, and may come into the possession of the Admiralty at the end of 10 years.

2226. I suppose it was found that ships satisfactory to the Admiralty could not be built for the 700,000 *l.*, and, therefore, the whole of the 850,000 *l.* is being expended?—That is so.

2227. (To Mr. *Spring-Rice.*) Has the Treasury taken into consideration this point of loss of interest?—I am afraid the fact must be accepted that if these ships cost more than the colonies agreed to pay, the agreement having been subsequently scheduled to the Act of Parliament, it is practically impossible to go behind that agreement.

2228. (To Sir *Gerald FitzGerald.*) If Queensland shall continue to stand out will there be a further loss, or will the interest be divided among the other colonies?—It is presumed that the other colonies will bear the full charge payable to the Admiralty.

2229. Is there anything to that effect in the agreement?—Yes; it was a joint agreement with all the Australian colonies.

Mr. *Sydney Buxton.*

2230. What is the Queensland proportion?—It is, I believe, proposed to be regulated by the population; I cannot say what it is.

IMPERIAL DEFENCE ACT.

Interest payable by the Colonies, &c.—*continued.*

Chairman.

2231. In that case would it be a large proportion?—No, because the population of Queensland is very small compared with that of the other colonies.

Mr. *Donald Crawford.*

2232. Do you know why a correct estimate was not formed at first; if 850,000 *l.* is the sum required in order to get the proper type of ship, why was not the House of Commons told that at first when the Bill was introduced?—It is given as 850,000 *l.* in the Act; but the estimate was increased to that amount subsequently to the arrangement with the colonies.

2233. But going a step further back why was the type of ship not taken into consideration when the arrangement with the colonies was made?—The specifications were not made out at the time and the contracts were not entered into.

Mr. *Wodehouse.*

2234. Has any application been made to the other colonies to bear the loss in the event of Queensland persisting in not complying with the agreement?—No; it is understood that in the next Session the Act will again be presented to the Legislative Council.

2235. And be likely to pass?—Probably.

Mr. *Barran.*

2236. Was Queensland a party to the original agreement when Parliament agreed to contribute towards the main fund?—I presume so.

Chairman.

2237. If you have the Act of 1888 the agreement is set forth in the schedule; would you tell us whether Queensland was a party to the agreement?—The First Schedule of the Act says "The Commissioners for executing the office of Lord High Admiral of the United Kingdom, of Great Britain and Ireland, &c., and the Governments of Her Majesty's Colonies of New South Wales, Tasmania, South Australia, New Zealand, Victoria, Queensland, and Western Australia, having recognised the necessity of increasing the Naval Force for the protection of the floating trade in Australasian waters at their joint charge, have resolved to conclude for this purpose an agreement as follows:"

Sir *Walter Barttelot.*

2238. Your own view was that the whole of the Australian colonies would pay under this arrangement?—Certainly.

2239. And supposing that Queensland did not pay her share, that the rest of the colonies would make up the deficiency which Queensland had created?

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. SPRING-RICE, and Sir G. FITZGERALD, K.C.M.G. [*Continued.*

IMPERIAL DEFENCE ACT.

Interest payable by the Colonies, &c.—*continued.*

Sir *Walter Barttelot*—continued.

created?—That I cannot say; but I presume so, as it was a joint agreement.

2240. It appears from the passage that you read that it was a joint agreement for all the colonies?—Yes.

EXPENDITURE FOR ARMAMENTS.

Chairman.

2241. (To Sir *C. L. Ryan.*) You describe in your Report the mode in which the work done at the Ordnance Factories at Woolwich in respect of the armaments of these ships has been apportioned; have you any objection to this arrangement so long as it is merely a temporary one?—No; on the understanding that it will be definitely apportioned at the conclusion of the work.

2242. I observe your opinion is that the

IMPERIAL DEFENCE ACT.

Expenditure for Armaments—*continued.*

Chairman—continued.

means for a final adjustment are available?—Yes, I think so.

2243. (To Sir *Gerald FitzGerald.*) Do you confirm that?—Yes.

PAYMENTS TO CONTRACTORS.

Chairman.

2244. (To Sir *C. L. Ryan.*) I observe you report upon cases of advances somewhat similar to those upon which you remark in your Report upon the Navy Appropriation Account; I suppose your remarks there would apply also to these advances?—I think so.

2245. But you further point out that the main argument in justification of advances, in the case of those charged to the Votes of Parliament is scarcely applicable in these cases where the whole of the expenditure is provided for by issues from the Consolidated Fund?—Yes.

GREENWICH HOSPITAL.

CAPITAL AND INCOME ACCOUNTS.

No Questions.

[Sir *Gerald FitzGerald* withdrew.

DOCKYARD EXPENSE ACCOUNTS, 1888-89.

Mr. GORDON W. MILLER, called in; and Examined.

Chairman.

2246. (To Sir *C. L. Ryan.*) I BELIEVE this is the first occasion upon which you have presented a Report to Parliament, under the provision of the special Act of Parliament which was passed last Session?—That is so.

2247. Although for the years 1886 to 1887, and 1887 to 1888, a test examination was carried out by your Department, but not under the specific directions of Parliament?—That is so.

2248. (To Mr. *Miller.*) In these accounts also have included the consequences of the distributive statement and programme of ship-building, which were first introduced in the Estimates of the year 1888-89?—Yes.

2249. (To Sir *C. L. Ryan.*) They were introduced with the hope that Parliamentary control could in future be exercised over the use as well as upon the purchase of materials, and that the particular services upon which the

Chairman—continued.

labour is to be employed would come under the same supervision?—Yes; and I think that result will be obtained, although the Resolution of Parliament, which was contemplated at the time, has not been subsequently carried out.

SCOPE OF AUDIT BY THE COMPTROLLER AND AUDITOR GENERAL.

Chairman.

2250. (To Sir *C. L. Ryan.*) You state that your scheme of test audit is intended to ascertain that a satisfactory system of accounting is in force, and that under it the results set out in the annual accounts may be relied upon; but this year you have only been able to apply the local test in the case of the dockyards at Chatham, Devonport, and Portsmouth?—That is so.

2251. In future you hope to apply it to all the the home dockyards?—Yes.

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18 *June* 1890.] Mr. HAMILTON, C.B, Sir C. L. RYAN, K.C.B., Mr. SPRING-RICE, and Mr. MILLER. [*Continued.*

DOCKYARD EXPENSE ACCOUNTS.

STEAM RESERVE LABOUR, NOT CHARGED TO SHIPS.

Chairman.

2252. You call attention again, in your Report, to the fact that when repairs to ships are carried out by fleetmen, seamen, pensioners, and others employed under the captain of the Steam Reserve, the value of their labour is not charged against the ships?—Yes.

2253. You are anxious that the numbers and approximate annual cost of these men at all the yards should be ascertained?—I think the Expense Accounts would show a more correct return if that were done.

2254. (To Mr. *Miller.*) Perhaps you could tell us whether the Admiralty have come to any decision as to whether they propose to meet the views put forward by the Comptroller and Auditor General upon this point?—The matter is still under the consideration of the Admiralty. Many difficulties have presented themselves; but it is hoped that the matter will be settled very shortly.

2255. I suppose it is admitted that you cannot obtain absolutely correct results unless the labour of these pensions and others is taken into account?—The Expense Accounts would not show absolutely the total expense unless that is brought into account.

2256. And therefore you would desire to do this if it can practicably be done?—Yes, if it can practicably be done without incurring undue expense.

2257. I suppose it is on account of the fact

DOCKYARD EXPENSE ACCOUNTS.

Steam Reserve Labour, &c.—*continued.*

Chairman—continued.

that this matter is still under consideration, that the Comptroller and Auditor General has not received an answer?—That is so.

2258. Will he have an answer shortly?—Yes.

MATERIALS.

ISSUES TO CAPTAIN OF STEAM RESERVE.

Chairman.

2259. The Comptroller and Auditor General calls attention to certain large issues of stores to the captain of the Steam Reserve, which amounted in the year 1888–89 to a sum of nearly 18,000 *l.*, those stores being laid apart for future use; do you think it would be possible to preserve some touch with the stores, so that the published accounts may present an indication of the value of those stores?—The stores have been issued from the storekeeper's charge, and the Admiralty consider that it is a matter rather for a Store Account than for following the transaction in the Expense Accounts; because, so far as the Expense Accounts are concerned, when stores are issued from stock they become a charge value to the specific ship or service, as has been the case here. The accounting that should follow the issue of stores from stock for such a purpose should, the Admiralty consider, be a matter for a Store Account under the Director of Stores.

2260. No such Store Accounts have yet been kept?—I would suggest that the Director of Stores, who is here, should answer that question.

Mr. W. G. P. GILBERT, re-called; and further Examined.

Chairman.

2261. HAVE such Store Accounts been kept as suggested by Mr. Miller?—Store Accounts are being prepared with the object of preserving touch with the stores until they should be actually required for issue to the vessels.

2262. (To Sir *C. L. Ryan.*) I do not know how far that would meet your view, and how far it would prevent depreciation in the issues of stores being lost sight of?—I think there is something wanting in the nature of periodical surveys, or otherwise, to ensure the correct record and maintenance of these accounts; and

Chairman—continued.

as I understand some steps will probably be taken by the Admiralty upon the point, therefore, I would rather not give any answer at the present moment. (Mr. *Gilbert.*) I may state on that point that arrangements are now under consideration with a view to securing that the stores should be inspected annually, in order to verify the quantity as well as the quality of the articles. It is part of a large scheme that is being considered.

[Mr. *W. G. P. Gilbert* withdrew.

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. SPRING-RICE, and Mr. MILLER. [*Continued.*

DOCKYARD EXPENSE ACCOUNTS.

DEPRECIATION OF STORES RETURNED FROM SHIPS.

Chairman.

2263 (To Mr. *Miller.*) The Comptroller and Auditor General calls attention to a question that has arisen as to the manner of showing differences arising upon the re-valuation of articles returned from ships; I think he suggests that this is a defective mode of keeping the accounts?—The valuation of these masts, referred to in this paragraph, at the time of return, are admittedly inaccurate, and special directions have been given that will prevent the recurrence of mistakes of that description. The valuation was effected on a professional survey, and there was, I think, a misunderstanding as to the future use to which those masts could be put.

2264. In such cases, in future, will the depreciation be separately recorded in a depreciation account?—No; these transactions came about in this way: It was intended, in the case of the "Northumberland," for instance, to remove the masts, and an estimate was submitted to the Admiralty showing the probable cost, and the credit to be allowed was shown as 828 *l.* It became obvious afterwards they were only worth what they would fetch as old iron.

2265. When you say "the mast," it was a case of two masts, was it not?—Yes, two masts were removed. She was a five-masted ship reduced to three. Instructions have been given which will prevent any over-valuations of this description in future.

Mr. *Barran.*

2266. Who was responsible for the mistake that was made?—The masts were valued in 1879 by an agent of the Chief Constructor of the Dockyard.

2267. A permanent official?—Yes; I think the mistake arose with regard to the use to which the masts could be put in future; the valuation was based upon the assumption that they might be used for other ships, but just at that time masts were gradually disappearing from ships of war, and these particular masts depreciated in value until they became only worth the old iron they contained.

Chairman.

2268. (To Sir *C. L. Ryan.*) Have you had an opportunity of considering the value of the change which has been introduced?—Not since it has been introduced. Probably this question, if necessary, will be brought up again another year.

2269. In the meantime no objection occurs to you to what is being done?—No.

STOCK VALUATION.

Chairman.

2270. (To Sir *C. L. Ryan.*) You call attention to the defective system of keeping the Stock Valuation Account; are you satisfied that a better

DOCKYARD EXPENSE ACCOUNTS.

Stock Valuation—*continued.*

Chairman—continued.

system is being adopted for the future?—Yes, I think the probability is that a better system will be adopted.

2271. And that subject will come up again next year if necessary?—Yes; the Committee may understand generally that any questions connected with these technical points, which upon re-consideration would require to be mentioned again, will be mentioned next year.

ON PARAGRAPHS 10, 18, 20, and 23.

Chairman.

2272. (To Sir *C. L. Ryan.*) With respect to all these paragraphs I think in each of the three years you have reported upon the position of the Foreign Yards Accounts as unsatisfactory?—Yes, that is so.

2273. But the Committee have already been told that the Director of Dockyards and the Inspector of Dockyard Accounts, have already visited Malta and Gibraltar, and are about to visit other foreign yards, and there is, therefore, I presume, a prospect of amendment in the administration in the foreign yards?—I should sincerely hope the administration will be amended, because I do not think it is satisfactory so far as the accounts are concerned at present.

2274. Perhaps in this case also you would suggest deferring the consideration of the question?—I think the Committee will be better able to deal with it at a future time.

MANUFACTURING ACCOUNTS.

Chairman.

2275. (To Mr. *Miller.*) The Comptroller and Auditor General calls attention to the various cases upon which he makes criticisms; are all those criticisms being considered at the Admiralty?—Yes, all of them.

2276. (To Sir *C. L. Ryan.*) On the whole have you reason to expect amendment upon these points?—Yes, I think so.

PROGRAMME AND PERFORMANCE IN SHIPBUILDING, REPAIRING, &c.

Chairman.

2277. (To Mr. *Miller.*) Is it intended in future by the Admiralty to give explanations in the return furnished to the Comptroller and Auditor General for audit?—It is. The explanations with respect to the home yards transactions are given in the preliminary account for 1888–89; but in future years the explanations will be wholly given in the Expense Account.

2278. Will the stores for ships and coals for steaming be separately shown in future years?—There is no objection to such a division in the Expense Accounts.

 2279. The

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DOCKYARD EXPENSE ACCOUNTS.

Programme and Performance in Shipbuilding, Repairing, &c.—*continued.*

Chairman—continued.

2279. The Comptroller and Auditor General objects to the vagueness of "net" issues of materials by a footnote or otherwise; will any attempt be made to meet his views upon that point?—The programme as given in the Navy Estimates is intended to show the net cost of the work, and it is so described in the heading; but there will be no objection to showing in the Expense Accounts, by way of a footnote, any abnormal credits on account of returns from ships.

2280. (To Sir *C. L. Ryan.*) Do these answers on these paragraphs satisfy you?—Yes; I think they do.

STATEMENT SHOWING VALUE OF STOCK, AND SUMMARY OF TRANSACTIONS AT DOCKYARDS (FORMERLY CAPITAL ACCOUNT).

Chairman.

2281. (To Mr. *Miller.*) With respect to the valuation of Land Buildings and Machinery, which is omitted, I believe it is the practice to give this valuation in the Army Manufacturing Accounts; is there any difficulty in giving it in these accounts?—The question of the valuation of land, buildings and plant was raised in May 1888, and it was pointed out that there had been no re-valuation since the years 1865 and 1869, and that consequently the figures which appeared in the Expense Accounts were unreliable. Inquiries were made in 1888 as to the cost of a re-valuation of all the buildings, docks, and land in the various naval establishments at home and abroad, and it was ascertained that for a professional valuation an expense of about 15,000 *l.* would be incurred. Under those circumstances the Admiralty came to the conclusion that a re-valuation was undesirable, and they decided that as only unreliable figures could be given of the value of the fixed plant, any statement thereof should be omitted from the Expense Accounts.

2282. (To Sir *C. L. Ryan.*) I think you state that you agree that it is undesirable to expend a large sum of money on a re-valuation, but you suggest that the local officers of the Admiralty themselves might have put a value upon the land and buildings, so that the values should not be altogether lost sight of in the accounts?—That is my view. I do not think it would be right to call in a professional valuer, who would of course expect his ordinary charges; but inasmuch as the Admiralty have skilled officers of works at most of their dockyards, I confess I do not see why a statement might not be obtained from them, which, though not of the same value perhaps as that of a professional outsider, is still a valuable record of a national asset.

2283. (To Mr. *Miller.*) Has that suggestion been considered at the Admiralty?—Yes. In May 1888 (when the matter was under consideration), the Director of Works reported as follows: "There would, however, be very little use in having a new valuation made by Admiralty officers, whether individually or grouped in committees. The valuation of buildings is a distinct business, and there are, so far as I know, no officers in the Admiralty who have been brought up in that business. If there were, any valuation made by an officer of the Admiralty would be looked upon as quite unreliable as compared with a valuation made by an outside independent valuer."

DOCKYARD EXPENSE ACCOUNTS.

Statement showing Value of Stock, &c.—*continued.*

Chairman—continued.

2284. Do you recognise the point that the Comptroller and Auditor General dwells upon, that it is unsatisfactory to lose sight of these values altogether in the account, that it would be better to put some value than to leave these values out altogether?—I think the Admiralty's opinion is that unless trustworthy figures can be obtained it is better to leave them out, because we make no use in our accounts of the information.

2285. (To Mr. *Hamilton.*) Has the Treasury considered this point?—It has been considered; but I cannot say it has been gone into very much.

2286. I suppose the form in which the Army Manufacturing Accounts have been kept has been considered at the Treasury?—Yes, that is so.

2287. You are aware, I presume, that a valuation of land, buildings and machinery is given in the Army Manufacturing Accounts?—Yes.

2288. (To Mr. *Miller.*) That would rather point to the importance of uniformity in the Expense Accounts, would it not?—I think in the War Office Accounts use has in the past been made of the information as regards the capital valuations of the buildings, plant, and machinery, by including a fixed percentage thereon in the prices which appear in one of their balance sheets; but no such addition has ever appeared in the Navy Expense Accounts.

2289. Must not your results be misleading if you do not take that into account in calculating the cost of what you manufacture?—In preparing the Estimates for 1889 a new departure was made. The principle was introduced of treating all outlay upon buildings and machinery as forming part of the annual incidental expenditure and charging to shipbuilding and repairing, and to dockyard output in general, such portion of the expenditure as could be shown to be distinctly incurred, wholly or partly, for the benefit of work in hand during the year. So that a certain portion of the expenditure which would, under ordinary circumstances, have gone into a Capital Account, was charged to the work of the year. It was considered by the Admiralty that this would afford a fair method of computing the cost of the work done in the dockyard.

2290. (To Sir *C. L. Ryan.*) Would you desire to make any remark upon what has been said?—I do

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DOCKYARD EXPENSE ACCOUNTS.

Statement showing Value of Stock, &c.—*continued.*

Chairman—continued.

I do not think I have seen reason to change my view, but it is a matter that I think might be fairly considered by the Treasury with the representations of the Department before them.

Mr. *Barran.*

2291. (To Mr. *Miller.*) Is there a plan in existence of the estate at Woolwich?—I do not know about Woolwich.

2292. Is there any plan of the buildings and land in connection with this Department?—Yes; as regards each dockyard we have complete details and plans of the buildings and land.

2293. Would there be any great difficulty in putting an estimated value on the land and buildings so as to get an approximate value?—I think the difficulty is to fix the standpoint upon which the valuation is to be based.

2294. Unless some agreement be come to as to the starting point, of course, that difficulty would remain for ever; should you consider it a very difficult thing to put a value upon the land?—Yes, I think it is difficult. The land in most of the dockyards has been in the possession of the Government for many years, and the question really is, what is the value of that land, in the first place, to the Government, and in the second place, if it were sold. Most of the Government property is in places where the land would be of little value for any other purpose, even if such a thing could be considered as selling the Government land at the dockyards, which, of course, would be really out of the question.

2295. I know that is out of the question; but at the same time I do not see how you are to estimate the cost of production unless there is some foundation upon which to base your working expenses?—It has not been the practice to include in the cost of dockyard produce any interest upon capital, or any proportion of the expenditure on buildings and docks, except for repairs.

2296. And you do not now?—Under the present system such of the annual expenditure upon works and machinery as can be shown to be incurred, wholly or partly for shipbuilding, and repairing. is charged thereto.

2297. What percentage do you put on?—I might perhaps give an instance; when the Navy Estimates are prepared the details of all the works which are to be effected at the various dockyards are sent to the Admiralty, and when the amount to be taken in the Vote is decided upon, an apportionment is made in regard to each of the several items of expense. For example, at Portsmouth the harbour was to be dredged; that is not considered as affecting the cost of the output of the dockyard, and is written off as a "national charge." Again, the extension of No. 1 Shipbuilding Shop, a new mould loft floor, and renewing the roof of the Dockyard Smithery are all charged as part of the cost of ships in hand during the year.

DOCKYARD EXPENSE ACCOUNTS.

Statement showing Value of Stock, &c.—*continued.*

Mr. *Barran*—continued.

2298. Is there anything put on for rent?—No.

2299. Nor interest upon machinery?—No.

2300. Do you do some work for the Colonies and for India?—We do a considerable amount for India, and a little also for the Colonies.

2301. Do you charge them on the basis of the cost irrespective of rent or interest?—No; under a special agreement come to between the Admiralty and the Indian Government some time ago, we charge the Indian Government 10 per cent. in addition to the charges for labour and material.

2302. In addition to the net cost?—On the value of labour, plus the value of issues, and plus the value of the returns.

2303. What do you charge?—Ten per cent.

2304. Does that 10 per cent. cover administration as well as rent?—It is supposed to cover the extra charge that was thrown upon the Admiralty establishments by the work done for India.

2305. That is the only advance you get over the cost?—Yes, in the case of India. If we do work for private individuals or colonial governments a percentage of from 20 to 30 per cent. is charged at home, and 25 to 45 abroad.

Mr. *Sydney Buxton.*

2306. I understand you to say that your chief objection to a valuation of the land would be that it would be a somewhat artificial valuation at the best?—Yes.

2307. Would it not be better to have this artificial valuation increasing or diminishing year by year, as the value of the land increased or diminished, rather than have no valuation at all, so that year by year it could be compared?—The Admiralty considered that point, and came to the conclusion that as only unreliable figures could be given it was preferable to leave out out of the account any statement purporting to give the valuation.

2308. In the opinion of the Admiralty it does not affect the question of account or expenditure, as I understand?—No; it would be a matter merely of information in the Expense Accounts, as it has been in the past.

Chairman.

2309. Would there not be less difficulty in valuing the yard plant, which is referred to in paragraph 28 of the Comptroller and Auditor General's Report?—An attempt was made four or five years ago to value the yard plant, and it was found that the process occupied the attention of the professional officers to a very large extent, to such an extent that there were complaints that it interfered with their proper control over their work; and when the valuations reached the Admiralty it was found that they were practically of little use. I should state that recently a Store Account, which

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DOCKYARD EXPENSE ACCOUNTS.

Statement showing Value of Stock, &c.—*continued.*

Chairman—continued.

is rendered to the Director of Stores, has been established. It shows the quantities of the principal articles of yard plant received in the yard and disposed of.

2310. Has the Admiralty considered carefully the system which is in vogue at the Ordnance Factories?—I cannot say that the matter has been gone into very fully. Hitherto the Admiralty Expense Accounts have only included the actual annual expenditure upon *personnel, materiel,* and contract work, under the several Naval Votes.

2311. That is not the practice at the Ordnance Factories, is it?—I am not aware what is the present practice at the Ordnance Factories.

DOCKYARD EXPENSE ACCOUNTS.

Statement showing Value of Stock, &c.—*continued.*

Chairman—continued.

2312. That is the point of the suggestion of the Comptroller and Auditor General, and it is a point, as it seems to me, speaking for myself, I do not wish to bind the Committee, that should be considered at the Admiralty. There is a system that works well and satisfactorily in connection with the Ordnance Factories, and which solves certain difficulties with regard to account keeping; and it seems to me a question for the Admiralty and the Treasury whether that system could not be introduced with advantage at the dockyards?—I think anything that can be shown to improve the accounts should be introduced.

[Mr. *Gordon W. Miller* withdrew.

WORKS ACCOUNTS.—VOTE 10.

LOCAL RECORDS.

Mr. GEORGE HIGGS, called in, and Examined.

Chairman.

2313. I UNDERSTAND you represent the Director of Works?—Yes; he is ill, and not able to be here.

2314. I observe that in the concluding words of this paragragh the Comptroller and Auditor General mentions a very large amount of accumulated stock on the 1st of April 1889; the amount being Portsmouth, 19,000 *l.* and odd, and at Chatham 13,000 *l.* and odd, excluding the plant, which is of the value in one case of 10,500 *l.*, and in the other case nearly 14,000 *l.*; perhaps some explanation could be given with regard to that?—As regards the amount of accumulated stock, both at Portsmouth and Chatham, it is exceptional entirely, because the extensions of works at both those places are coming to a close; the one at Chatham has come to a close, and at Portsmouth nearly so; consequently the stock is very much greater than it would have been if it had been simply for repairs and maintenance, as our stock is usually. This amount at Portsmouth, for instance, includes a very large quantity of bricks, which are convict-made bricks, and a surplus over the work required at the time.

2315. Is it quite correct to call this accumulated stock?—It is in a measure surplus, because at Portsmouth, for instance, we have eight and a-half millions of bricks more than the extension works require; we had the clay and we had convicts who were able to make those bricks, and so we made them. Those bricks, which amount in value to 7,000 *l.*, have not been bought by the Government, but they were simply made to utilise the convict labour; they will come in for new buildings as we require them. They are not for repairs or maintenance, and therefore, the large sums which are stated here for Chatham and Portsmouth are not strictly and properly for repairs and maintenance.

2316. (To Sir *C. L. Ryan.*) Have you anything to say upon this explanation?—No; I think the meaning of the explanation is that those bricks are a kind of reserve, and I presume that as the extension work has come to an end, the need of them will no longer arise for that purpose, but they will be used up for other purposes.

2317. (To Mr. *Higgs.*) I presume that that is so?—That is so.

[Mr. *George Higgs* withdrew.

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. SPRING-RICE. [*Continued.*

VICTUALLING YARD MANUFACTURING ACCOUNTS.

Mr. H. F. R. YORKE, re-called; and further Examined.

INTRODUCTORY REMARKS.

Chairman.

2318. IT may be well just to record the following facts: first, that formerly the Victualling Expense Accounts were discontinued, and that then the matter was considered by the Public Accounts Committee last year, who recommended that accounts of the nature of Expense or Manufacturing Accounts were desirable in future, although not necessarily in so elaborate a form as those of ship-building. It is in consequence of that recommendation that the accounts are before us in this form; is not that so?—Quite so.

On PARAGRAPH 5.

Chairman.

2319. I believe it is the fact that the Manufacturing Accounts now submitted for audit cover only a small proportion of the expenditure under Vote 2 of the Navy?—They deal only with money spent on manufacturing.

2320. Has not a larger amount than 79,500 *l.* been expended on manufacturing under that Vote?—Not under what we call conversion, manufactures from raw material.

2321. (To Sir *C. L. Ryan.*) I think you suggest that it would be desirable to extend the account somewhat further?—I thought it was a desirable question to consider whether or not the views of the Committee were fully met by only applying the Expense Accounts to an expenditure of 79,000 *l.* out of a total of 1,200,000 *l.* It is rather for the Admiralty, I should say, to show cause why it should not be extended. The opposite view was previously held; but if there were good reasons why it should not be extended, probably that would satisfy the Committee.

2322. Do you suggest that it should be carried beyond the Manufacturing Accounts?—Yes; or rather I do not suggest it; I rather raise the question.

2323. (To Mr. *Yorke.*) What do you say to that?—The question has been considered by the Admiralty whether Expense Accounts which would cover the whole expenditure, somewhat similar to those in the case of the dockyards, should be instituted; but they came to the conclusion that they did not require them themselves. The expense of doing it, I think, was estimated to amount to about 1,200 *l.* a year, and they did not consider themselves justified in recommending this expense to the Treasury.

2324. Can you give any reason why this should be on a different footing from the expenditure which is accounted for in the Dockyard Expense Accounts which have just been before us?—No; I can only say, speaking for my own service, namely, the Victualling Service, that we

Chairman—continued.

do not require more than we have at present, (that is, Manufacturing or Conversion Returns) so far as we are concerned at the Admiralty.

2325. You think that the Manufacturing Accounts are sufficient for you?—They are sufficient for us at the Admiralty.

2326. (To Mr. *Hamilton.*) Have the Treasury considered this point?—No; I am not aware that it has been before the Treasury.

COOPERAGE BALANCE SHEET.

On PARAGRAPHS 7, 8, 9, 10.

Chairman.

2327. (To Mr. *Yorke.*) The Comptroller and Auditor General points out several defects in the Cooperage Balance Sheet as at present rendered, and states that his letter has not been answered; are the defects admitted, and is amendment to follow?—Without saying that the defects are all admitted, I may say the subject certainly requires consideration, which it is now receiving.

On PARAGRAPH 11.

Chairman.

2328. (To Mr. *Yorke.*) It seems that the repair work is not included in your balance-sheet, and is not treated as manufacturing, whereas in the cognate dockyard balance sheets it is so treated; what are your views upon that point?—So far in the Manufacturing or Conversion Returns from the Victualling Yard the principle has been that only articles which are made from raw materials shall be included, that is to say, a cask which is made from scantling is included; but if the cask comes back after two or three years and requires some slight repair, or, indeed, repair of any sort, that repair has been done, but has not been included in what are called the Manufacturing or Conversion Returns. It seems to me if we go beyond our present broad line, that only the article made up from the raw material shall be included, it will become more difficult to draw the line between Conversion Accounts and Expense Accounts; but it is a subject which I should like to consider a little more.

2329. Of course there are Conversion Accounts at the dockyards?—Clearly.

2330. You at present have hesitated to introduce Conversion Accounts into your Victualling Accounts?—We call ours Manufacturing or Conversion Accounts.

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VICTUALLING YARD ACCOUNTS.

Cooperage Balance Sheet—*continued.*

Chairman—continued.

2331. But practically they do not include any conversion?—Converting biscuit meal into biscuit, for instance, would come in under the general head; but hitherto the practice has not been to include articles which merely require repairs. I should, however, like to consider the subject, and to see whether we could not meet the views of the Comptroller and Auditor General.

OTHER BALANCE SHEETS.

Mr. *Barran.*

2332. There is a discrepancy between the cost of fresh suet and the cost of salted suet; does that arise from the addition to suet of salt increasing the weight and thereby decreasing the average cost?—I am afraid I cannot tell the Committee the exact reason of it. It was a mistake in the Admiralty, but it was not in my department, because I was not then preparing the rate-book; but it is a mistake.

2333. The salted suet cost 2 *l.* 8 *s.* 3*d.*, and the fresh suet 2 *l.* 15 *s.* 1 *d.* per hundred lbs.?—Yes; I rather think those figures have been transposed, I am not quite sure; but at any rate the Admiralty admits that this was a mistake.

LOSSES ON CONVERSION.

Chairman.

2334. (To Sir *C. L. Ryan.*) You call attention to the apparent absence of independent check on losses on conversion, and I think you state you have communicated with the Admiralty on the subject; have you received a reply?—Yes, I have since received a reply.

2335. (To Mr. *Yorke.*) I think you have undertaken that, in future, you will institute an examination of the Conversion Accounts on your own behalf?—Yes, to a limited extent.

2336. (To Sir *C. L. Ryan.*) Will you consider to what extent that should go?—I think when I see what the Director of Victualling proposes to do I shall be better able to tell the Committee whether it seems to me satisfactory.

VICTUALLING YARD ACCOUNTS.

On PARAGRAPH 15.

Chairman.

2337. (To Sir *C. L. Ryan.*) I think you desire that in the published accounts or in the balance-sheet some explanation of differences might be introduced?—I think it would be an advantage if they were.

2338. They would be useful to you for the purpose of criticism?—Yes.

2339. (To Mr. *Yorke.*) Is there any difficulty with regard to that?—No, I think not. We will give the best explanations we can; and I think there will be no difficulty.

On PARAGRAPH 16.

Chairman.

2340. (To Mr. *Yorke.*) Explanations seem also to be needed in connection with the service charged for supervision at certain yards, as, for instance, the greater cost at which biscuit is produced at the Royal Victoria Yard; would it be possible to give explanations in the account of such differences?—Certainly, I think so.

2341. (To Sir *C. L. Ryan.*) Would that meet the views of the Comptroller and Auditor General?—Yes.

Mr. *Sydney Buxton.*

2342. How do you account for the fact that there is a much smaller loss in grinding at the Royal William Yard than at the other two yards?—It always has been so, and I think it must be due to the climate.

VALUATION OF STOCK AT 31ST MARCH 1889.

Chairman.

2343. (To Mr. *Yorke.*) In paragraphs 17, 18, and 19, the Comptroller and Auditor General refers to some errors; are those errors admitted?—Those which are referred to in paragraph 17 are admitted; and also those in 18 and 19. All of them are admitted.

2344. I suppose we may hope for some improvement and more accuracy in future?—Certainly.

[Mr. *Yorke* withdrew.

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. SPRING-RICE. [*Continued.*

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1888-89.

GENERAL REPORT OF THE COMPTROLLER AND AUDITOR GENERAL.

TOTAL AND NET COST.

Chairman.

2345. (To Sir *C. L. Ryan.*) With regard to the Statements of Total and Net Cost, I think that since the Report of the Committee upon this subject last year you have altered the form in which you presented your Statement of Total and Net Cost, and you have appended those Returns at the conclusion of the volume in one classified schedule?—That is so.

2346. As approximate statements not pretending to precise accuracy?—Yes. That was the main object with which the statement was made.

2347. A question arose before the Committee last year as to the value to be attached to the returns of the cost of postage and telegrams which appear in this statement of total and net cost, which are annually furnished to you by the Postmaster General. In the correspondence which appears here at page vi, A 3, it is stated on behalf of the Post Office, "that the estimates furnished by the Post Office for this purpose are, in the opinion of the Postmaster General, as exact as it is possible for such calculations to be made without undue labour and expense;" and it is stated that "the values given to the postal work performed for Public Departments are, it is true, estimates, but they are founded on very trustworthy data; the correspondence of each department is carefully weighed every day, and not merely occasionally; under those circumstances that item in the statement seems to be fairly accurate?—I think it becomes a valuable item in the total cost; and the statement of the Post Office fully justifies its being included.

Chairman—continued.

2348. (To Mr. *Hamilton.*) I suppose you would be inclined to modify the opinion you expressed upon that subject last year when you were scarcely aware what pains were taken at the Post Office to weigh the correspondence of each department every day, and to furnish a careful and exact estimate?—Certainly. I was under the impression at that time that it was only a very occasional weighing that was done. I was not aware there was anything like a daily weighing.

2349. The Committee considered another question last year, which was as to the importance of making some deduction for the profit upon the Post Office in these cases; are the Treasury disposed to press that point?—The Treasury certainly would not press that point. They think the best way is what is suggested in the Treasury letter of the 16th September, which is appended here, that it should be made as an allowance additional to revenue.

2350. (To Sir *C. L. Ryan.*) Are you quite content with that arrangement?—I am quite content.

CLASS I.

PUBLIC WORKS AND BUILDINGS.

ON VOTE 3.

ROYAL PARKS AND PLEASURE GARDENS.

Mr. HENRY WILLIAM PRIMROSE, C.S.I., called in; and Examined.

Chairman.

2351. IT appears that there is included in the amount of 9,456 *l.*, which are moneys in the hands of sub-accounting officers, a sum of 1,022 *l.* due by a Mr. Brook, who is a defaulter, and has absconded; and it seems an inquiry was held by the Treasury Officers of Account; and the Treasury Minute, and also a letter from the Treasury, and two letters from you, as representing the Officer of Works, appear in the Appendix to this Report. I see that on the whole the position you take up in your letter is that the department cannot ask for a verdict of complete acquittal on their conduct, but you offer certain explanations with a view to some extent of pleading extenuating circumstances?—Yes; I think that represents, speaking generally, the position I take up on behalf of the department.

Chairman—continued.

2352. (To Mr. *Hamilton.*) I see the Treasury also admits some extenuating circumstances in the Minute which was drawn up by you and Mr. Woods as the Treasury Officers of Account; you say that you "recognise that the officers of the Works Department had to deal with a man of daring and ingenuity, whose character in the office was such as was not likely to excite suspicion"?—That is so.

2353. At the same time you call attention to several defects in the system at the Office of Works, and the importance of having better means of checking the accounts in the hands of

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APPROPRIATION ACCOUNTS—Class I.

Vote 3.—Royal Parks and Pleasure Gardens—*continued.*

Chairman—continued.

a man in the position of Mr. Brook, to whom is entrusted the duty of paying these men in the parks?—Yes; we made certain suggestions, and all those suggestions, I believe, Mr. Primrose has acted upon.

2354. Are you satisfied as to the arrangements for the future that are being made?—Yes; as far as we are aware of their working now we are satisfied.

2355. (To Mr. *Primrose.*) I see in your letter of the 20th of November that you said you were in communication with the Treasury Officers as to the further changes which should be made; and then, on the 23rd of November, you explained the steps that were being taken to carry out the various recommendations of the Treasury Officers of Account?—Yes; I think the principal change that we made, and perhaps the most important one, was in selecting the pay clerk or pay clerks (because we now divide the duty between two men, one man taking the London parks, and the other man taking the country parks) from departments in the office not in any way connected with the Accounts Department of the office; so that the examination of the accounts is conducted by entirely different men from those who do the paying. There, I think, was the cardinal defect of our arrangements before, and that was what led to Mr. Brook's escaping detection for so long; it was owing to his having access to his accounts.

2356. I think he and Mr. Rudolph, who had to check the accounts, worked in the same room, and he had access to Mr. Rudolph's paper?—Yes.

2357. It seems to have been his practice to abstract the papers and alter them?—Yes.

2358. I think Mr. Rudolph had had only a short experience in your Accounts Branch?—A comparatively short experience.

2359. About how long had he been there?—I think he had been there about two or three years; I am not sure that he had been working all that time on that particular work.

2360. Mr. Brook had been there a long time and enjoyed a good reputation in your office?—Yes; he was a remarkably good accountant; he understood the books almost better than anybody else.

2361. Finally the defalcations, I think, were discovered by Mr. Rudolph?—Yes.

2362. (To Sir *C. L. Ryan.*) I see you state that you agree with the conclusion arrived at by the Treasury Officers of Account, that the departmental regulations were defective, and that they were not carried out with due intelligence or care?—That is so.

2363. Are you satisfied with the steps that are being taken?—I think the steps which have been taken will form a preventive in future.

APPROPRIATION ACCOUNTS—Class I.

Vote 3.—Royal Parks and Pleasure Gardens—*continued.*

Sir *Walter Barttelot.*

2364. (To Mr. *Primrose.*) What are these books which you speak of; are they books in which the names of all those men we see about the parks working and picking up papers and other matters are contained?—No; I meant the account books of the department, when I said that Mr. Brook understood the books almost better than anybody else.

2365. What are in those account books?—All our transactions.

2366. All your labour?—Yes, all the transactions of the departments; not merely of this Vote, but of all the 17 Votes that we account for.

2367. I was particularly referring to this Vote that we are upon of the Royal Parks and Pleasure Gardens; I am simply asking for information, because it is an important question with regard to the number of men that you employ, and who looks after them and sees that this number of men do their proper work, so that you are satisfied the country receives all they ought to receive from the work done by these men?—We have in each park a superintendent, who is primarily responsible, and then we have an officer who is called the bailiff of the parks, who is over the superintendents of the different parks, and goes round from one to another. Primarily the superintendent of each park is responsible for the number of men he employs, and the amount of work that he gets out of them.

2368. Are the accounts kept separately for each of the various parks?—The pay sheets are kept separate for each park. Each superintendent would have his own.

2369. Is there one superintendent for Hyde Park and Kensington Gardens, or are there two, one for each?—We have one for Hyde Park, Kensington Gardens, St. James' Park, and Green Park; one man takes the four. There is another for Regent's Park.

2370. He is answerable for seeing that these books which contained the names of all these men are not only accurately kept, but that the men are paid the rate of wages which I presume is fixed by somebody else?—Yes, they are fixed by the Board. The men vary very much; they are not permanently employed. Of course a certain number go on practically permanently, but the numbers employed from week to week vary very much; we take them on as we want them. The names of all the men would not be recorded in the department books, but in the pay sheets.

2371. There are a certain number of permanent men who would be in the accounts?—Yes.

2372. Then there are a number of extra men; and it was with regard to them that I was asking more particularly. The accounts with regard to those men, I presume, are accurately and carefully kept?—Yes.

2373. And no men can be put on except by some

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APPROPRIATION ACCOUNTS—Class I.

Vote 3.—Royal Parks and Pleasure Gardens—*continued.*

Sir *Walter Barttelot*—continued.

some one in authority, such as the Superintendent of the Park?—Yes.

2374. And he reports to a higher authority?—Yes.

Mr. *Webb.*

2375. Does the Superintendent pay the wages himself?—No; we send a clerk from the office to pay the wages.

2376. The wages are paid direct to the men by the clerk?—Yes.

On VOTE 4.

HOUSES OF PARLIAMENT.

Chairman.

2377. (To Mr. *Primrose.*) The Comptroller and Auditor General calls attention to an alteration in the departmental arrangements of the Office of Works, which appears to him to be in effect the establishment of a store for articles of furniture; if that is so, will it not be desirable, as he suggests, to keep a store account in a satisfactory form?—I hope we are doing so now. It is a store, not for articles of furniture, but only for one set of articles of furniture, namely, floor coverings, carpets, and linoleum. We found that there was very great practical difficulty in carrying out the arrangement that we had before, which was, that we contracted with Messrs. Hampton to supply us with carpets as we wanted them. There used to be very great delay when we ordered a carpet for a particular room in providing it. We now use a particular horse-hair carpet which has no pattern in it, and it is very easy to get in rolls of it, and as carpets are required for a particular room, to have it made up in our workshops below the Houses of Parliament here. At first we began in a very small way, but during the last year we have kept the account more accurately; and I think in the future they will be found to be very satisfactory.

On VOTE 9.

REVENUE DEPARTMENT, BUILDINGS GREAT BRITAIN.

Chairman.

2378. (To Mr. *Primrose.*) With respect to this adjustment of account between Post Office Buildings and Telegraph Buildings, to which the Comptroller and Auditor General calls attention in several instances; for instance, in the case of Dundee, are you ready to admit that it was not regular and according to the Exchequer and Audit Act to treat the 2,242 *l.* as credit to the Post Office?—I think, if I may be allowed to say so, that the Comptroller

APPROPRIATION ACCOUNTS—Class I.

Vote 9.—Revenue Department Buildings, Great Britain—*continued.*

Chairman—continued.

and Auditor General has not stated the case accurately in one small matter. He says the expenditure "in" 1887–88 was so-and-so; but it should really be the expenditure "up to" 1887–88; the actual expenditure in 1887–88 was only 185 *l.* Similarly elsewhere, where he says "in" 1887-88 the words "up to" should be substituted. Our view is this: that in order to comply with Section 24 of the Exchequer and Audit Act (which of course must be complied with) you must take Sub-Heads K. and P. together. Those represent a total expenditure of 82,000 *l.*, which is contained in bills in many of which it is impossible to apportion the expenditure accurately between the Post Office and the Telegraphs. We have to do so approximately and as nearly as we can, and more or less in an arbitrary fashion. The whole object, I think, of having these two sub-heads instead of one is for the purposes of statistics, so that in taking the Vote over a series of years you may approximately ascertain how much has been spent on new works for post offices, and how much on new works for telegraphs. That being from our point of view the real object for dividing the expenditure under two sub-heads, we carry out the principle by adjusting the apportionment as we go along from year to year; so that the expenditure taken over a series of years may show as nearly as possible what has really been spent on post offices, and as nearly as possible what has really been spent on telegraphs.

2379. But the Comptroller and Auditor General points out that although it might be quite proper, and it would obviously be very desirable, to show the accurate cost of the respective services on the statement of the total cost of "new works," yet the cost actually followed is in his opinion inadmissible; would it not have been quite sufficient to show the accurate cost under that head without attempting to alter the account, and to treat what had been spent under the one head as if it had been spent under the other?—The fact is we do not regard the sub-division between K. and P. as of any very great importance; in fact it is of no importance as regards the expenditure of the year. The same thing happens in the case of L. and Q., "Maintenance and repairs." Two or three years ago, on our representation, the Treasury allowed us, instead of subdividing each bill which was chargeable to either L. or Q., to simply charge the proportion of the whole bills at the end of the year. Consequently now Q. always represents one-third of L. The division between the two is purely arbitrary, arrived at by taking the average of the previous years; we found, roughly speaking, that the amount spent on the maintenance of post offices might be apportioned as being three-quarters for post offices and one-quarter for telegraphs; therefore, instead of apportioning each bill either by that proportion or in accordance with the facts of the particular bill, we now make a single adjustment between L. and Q. at the end

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APPROPRIATION ACCOUNTS—Class I.

Vote 9.—Revenue Department Buildings, Great Britain—*continued.*

Chairman—continued.

of the year. Carrying out that principle, we make our apportionment between K. and P. not absolutely according to the bills of the year, but according to the apportionment on the particular buildings which are dealt with in those bills.

2380. Do you not do a good deal more than that; do you not go back to the past year and attempt a readjustment as to the account that was closed?—No, I think not; I do not think we affect the account of 1887–88 at all.

2381. (To Sir *C. L. Ryan.*) Do you wish to say anything upon the explanation that has been given?—Perhaps I might begin by saying that I should take exception to Mr. Primrose's statement that sub-heads in a Vote are statistical. The whole principle of the Appropriation Account is that it is practically a cash account of sums that have actually come in payment, and have been classified as having come in payment under a particular head. If it is desired to show the total cost of a particular service it should, I think, be shown in some other way. It seems to me to be a matter of very great importance to keep to the question of whether a sum was paid in a particular year, and was chargeable to a particular sub-head in that year, and, it having once been so charged, a subsequent adjustment for statistical purposes ought not to be allowed to interfere with the Appropriation Account. I quite agree that it is desirable to have the statistical information, but I do not think the Appropriation Accounts are the proper medium for showing statistics.

2382. With respect to the further point, as to the accounts of past years, do you wish to say anything?—This is the first time that this practice has been brought to my attention, and I understood it involved the manipulation of the past year's accounts. If it does not, I am prepared to correct that part of my Report. But at any rate, these Sub-Heads of the account are not statements of what was spent and charged to each particular Sub-Head, but have been adjusted and manipulated for the purpose of showing a statistical record. As a matter of account I think that wrong.

2383. (To Mr. *Primrose.*) Without pursuing for a moment the question of the Sub-Heads, I would like to draw your attention to this: the Comptroller and Auditor General makes this important point; he says that the effect of the adjustment which you made was to record under a certain Sub-Head expenditure which had not come in actual course of payment within the period of the account; and is, therefore, expenditure within another year; that, I understand, to be the view of the Comptroller and Auditor General; if that is not so, of course that would be a very important explanation?—I do not think it is quite so. The only solid actual fact that is shown on this Appropriation Account is that, taking post office buildings and telegraph buildings together, on new works, alterations, and additions, we spent a sum of 82,000 *l.* The bills for the works on the post offices and the bills for the works on the telegraphs are not separated. Where we are building a new office the accounts for expenditure on that office come in together.

2384. You say under K. and P. together the amount was 82,000 *l.*?—Yes.

2385. I can quite understand that is perfectly consistent with what the Comptroller and Auditor General tells us, that if you take the two amounts together they represent accurately the expenditure which came in the course of payment within the year. But what he tells us is this, if I understand it rightly: if you take the amounts separately, one represents too much for the year, and the other represents too little for the year, owing to the adjustment that has taken place for the past year. (To Sir *C. L. Ryan.*) Is not that so?—Yes. (Mr. *Primrose.*) Apart from that adjustment, which was, say, 4,000 *l.*, supposing we had taken the actual expenditure of the year only, we should have divided the 82,000 *l.* between the post offices and telegraphs, thus; 71,000 *l.* for post offices and 11,000 *l.* for telegraphs. Even that, however, is a more or less arbitrary apportionment. It depends upon a very great many considerations, none of which can be stated perfectly accurately, and we say that, as we have a certain discretion in the apportionment, we may take into consideration the fact that in previous years we have charged too much to the Post Office and too little to the Telegraphs, or *vice versâ.* We took that into consideration as well as the considerations which affected the actual work done during the year.

2386. You are still not coming to the point with respect to the previous year. What the Comptroller and Auditor General tells us is, that you have brought into your account for telegraph buildings, as I understand, 747 *l.* 11 *s.* 6 *d.* from the previous year. (To Sir *C. L. Ryan.*) Is not that so?—That is how I understand it.

2387. (To Mr. *Primrose.*) On the other hand, you deducted from the Post Office Buildings Account 2,242 *l.* 14 *s.* 8*d.* in respect of the previous year, crediting the account with that amount?—I should state it rather differently. Having bills representing 82,000 *l.* spent on new works for post offices and telegraphs, we had to divide it between K. and P. If we look simply and solely to the works carried out during the year we should divide it in the form of 71,000 *l.* to Post Office, and 11,000 *l.* to Telegraphs; but our variation from these figures does not affect the apportionment of the previous year; it affects the apportionment of a series of previous years. We take into consideration the fact that in the preceding year our apportionment was 4,000 *l.* wrong: that we gave 4,000 *l.* too little to Telegraphs, and 4,000 *l.* too much to Post Office, and therefore we take opportunity this year, in making our apportionment for the year, of altering the amount correspondingly by 4,000 *l.*

2388. I am afraid that is an admission that for the

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Vote 9.—Revenue Department Buildings, Great Britain—*continued.*

Chairman—continued.

the purposes of statistics, and for the purpose of giving, as you consider, an accurate and truthful account of the net result of the several years, you did something which is not in accordance with the Exchequer and Audit Act?—It is impossible to comply absolutely with Section 24 of the Exchequer and Audit Act, unless Sub-Heads K. and P. are kept together.

2389. I can quite understand the difficulty of making any division between Sub-Heads, particularly any division between maintenance and repairs of buildings, which are practically the same buildings in many cases, I presume?—Yes.

2390. You may have great difficulty in apportioning between two Sub-Heads, and in such a case you would have a fair answer to the Comptroller and Auditor General that you had done the best you could, and had made the best apportionment you could; but here is a case in which you re-open an account of a previous year in order to arrive at an accurate amount; you bring in sums for previous years, on the one hand debiting the account, and on the other hand crediting the account with a certain sum?—I do not think that we really re-open the account of a previous year; we do not charge, for instance, in our Appropriation Account the sum of 2,242 *l.* an account of the Dundee Post Office. The only sum that is actually charged in our Appropriation Account for the year here as regards Dundee is the sum of 9 *l.* 2 *s.* 6 *d.* on page 33.

2391. At Dundee buildings which you had intended for one service were used afterwards for the other; which was the charge made?—What was intended for a post office was made only a telegraph office.

2392. Then you see you would not in this year charge anything for post offices; you would credit the account of post offices expenditure in the way stated by the Comptroller and Auditor General; you would deduct it from the present year's expenditure, and that, as I understand, is what you did. When you point out that you have not charged the 2,242 *l.* for the post offices at Dundee; that is not what you would do. You say that the expenditure on the Post Office has proved really to be expenditure for telegraph purposes; therefore you credit that amount to the Post Office, and so make a charge this year upon telegraphs?—Yes, we make the total amount which we charge to Sub Head P. more by that amount than we should otherwise have made it; we make Sub-Head P. more by 2,700 *l.* than we should otherwise have done.

2393. Why would it not have been sufficient to do what the Comptroller and Auditor General suggests, namely, to make a statement in what you call your statement of the total cost "new works"?—We could certainly do that; but then I do not see that there is very much object in maintaining the two Sub-Heads K. and P.

2394. I suppose you might say that of any

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Vote 9.—Revenue Department Buildings, Great Britain—*continued.*

Chairman—continued.

other sub-heads; that is a question for the Treasury and not for the particular department, is it not; given the sub-heads, are not you bound to adhere to the expenditure of money which had come in actual course of payment in the year?—Yes, in a sense. What I mean is this: that the expenditure under K. and P. is really mingled in such a way that it is quite impossible for us to do more than make an arbitary division between those two sub-heads. Therefore, if we have the power to make an arbitrary division in respect of the expenditure of the year, we hold that we may carry our discretion a little further in order to make the sub-heads represent the expenditure over a series of years more accurately.

2395. But that is exactly what the Comptroller and Auditor General reports against; where do you find in the Exchequer and Audit Act, or in any other Act, anything which authorises you to bring into account for the year either in the way of debit or credit moneys which relate to the previous year?—I quite admit that that would not be admissible; but my view is that sub-heads K. and P. must be taken together; and the only charge that we have brought against these combined sub-heads is 9 *l.* 2 *s.* 6 *d.*, that is to say, the actual expenditure of the year. If you take the two together (and you must take them together if you want to arrive at the absolute fact of the expenditure of the year), we have charged against the two together no more than 9 *l.* 2 *s.* 6 *d.*

2396. (To Sir *C. L. Ryan.*) What you have drawn the attention of the Committee to is, I take it, details which you have found in the accounts which do not appear here; so that, whereas, as Mr. Primrose tells us, if you take the sums together the total for the two sub-heads as stated is correct; still you find that correct result for the combined sub-heads was arrived at by an irregular process?—Yes. I may say generally, with regard to Mr. Primrose's statement, that if he represented to the Treasury that those two Sub-Heads were so involved together that for the purpose of a cash account (and the Appropriation Account is nothing but a cash account) you cannot separate them during the progress of the year (though the statistical results could be obtained in another way), I have no doubt that the Treasury would give him authority to throw together those two Sub-Heads, making the necessary alteration in the Estimates. But it is impossible for any Department to plead that they must treat two Sub-Heads as if they were one. I mean, you must not adjust the accounts for the purposes of statistics, and that is really what has been done.

2397. That is one point; but you also say that an expenditure has been brought into this year which actually came in course of payment in a previous year?—Yes, so I understand, in the adjustment.

2398. (To Mr. *Hamilton.*) Has the Treasury

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Chairman—continued.

anything to say upon this point?—I think the Treasury would agree in the main with what has been said by the Comptroller and Auditor General. I quite understand Mr. Primrose's attaching value to this statement as enabling him to distinguish between the expenditure upon Post Office and upon Telegraph buildings; but I do not think it is possible that this statistical knowledge should be shown accurately in the Appropriation Account; it should be shown in some other form. There is a peculiarity about the subdivision of these two Sub-Heads K. and P.; they, in fact, represent expenditure on one and the same building. I should not like to commit the Treasury to the suggestion that the two Sub-Heads should be thrown together, but as there are very peculiar circumstances connected with the two Sub-Heads, perhaps the Comptroller and Auditor and Mr. Primrose and the Treasury might confer together as to how the point could best be met.

2399. (To Mr. *Primrose.*) I think you spoke of the importance of adhering strictly to the regulations; it is not the regulations which are in question here, but it is an Act of Parliament, is it not?—Certainly.

On VOTE 13.

SURVEYS OF THE UNITED KINGDOM.

Chairman.

2400. (To Mr. *Hamilton.*) Under Sub-Head F. it is stated that "advantage was taken of the savings on other Sub-Heads to obtain a supply of stores which would otherwise have been purchased early in 1889–90," and it appears the Treasury sanction was given for the use of the savings on other Sub-Heads to meet this expenditure, seeing that those stores were to have been purchased in the following year, and were presumably included in the Estimates for that year; how did the Treasury come to give that sanction?—It was given in the exercise of the discretion reposed in the Treasury; it seems to me a legitimate case in which the Treasury could exercise its discretion; in fact, if the Office of Works had not taken pains to explain that the expenditure was in anticipation of what would otherwise have been purchased next year, and if they had merely told us, "We have spent more money upon this year's stores than we estimated," we should have regarded it as an ordinary excess on one sub-head to be met by a saving on others.

2401. My question was based upon the explanation which they gave you. Seeing that that explanation was given, and that it must have been present to the mind of the Treasury that these were stores for 1889–90, my question on that was, how did the Treasury come to give this sanction?—In the first place, I think the Committee might fairly infer from the letter of the Office of Works, that these stores were not

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Vote 13.—Surveys of the United Kingdom—*continued.*

Chairman—continued.

included in the Estimate for the year 1889–90. In fact, the Office of Works based their application upon the fact that they had not made provision for these stores in 1889–90, and that in fact they would have had to come for a Supplementary Estimate.

2402. Did they go so far as that?—What they said in their letter on page 60 was, that "it may be difficult to avoid an excess on the amount provided in the Vote for that year;" that is 1889–90; that is the letter from the Office of Works to the Treasury, asking for sanction for using the savings on other sub-heads in this way; therefore, I do not think they stated to you quite as you have put it?—I think it is so stated in a letter of theirs. They say, "It is true, as is pointed out in Mr. Mowatt's letter, that the amount for stores in the Estimates for 1889–90 has not been reduced by your Lordships; a reduction was, however, made by the Director of the Survey from the amount proposed by the officer in charge of the stores, and it now appears that the reduced amount will be insufficient, unless the balance available on the Vote for the current year can be utilised in the manner suggested." Therefore, the Treasury were apprised that, unless they exercised their discretion in favour of the appropriation of this money for the year 1888–89, they would have to go to Parliament the next year for a Supplementary Estimate. I am quoting from the official letter to the Treasury from the Office of Works on the 22nd of March 1889. (Mr. *Primrose.*) There were two letters.

2403. The application for Treasury sanction seems to have been on the 7th of December 1889?—This is the official letter of the 22nd March 1889.

2404. If you look at page 60 under the Appropriation Account you will find there is laid before us a letter of the Board to the Treasury applying for their sanction for the use of the saving; there is a quotation from that letter, and at the end it is dated the 7th December 1889?—That, I presume, is the date of the answer to the query; that is not the date of the letter. I have got the letter here before me, dated the 22nd of March 1889.

2405. You keep speaking of the letter, when we have just been told there are two letters?—One was the 12th March and the other was the 22nd March. (Mr. *Primrose.*) Upon receiving our letter of the 12th March the Treasury asked for some further information; they said that we had not given enough, and that letter of the 22nd March was written, in which we gave a further statement that the Director did not consider he would have enough money for stores, unless this saving were used. This extract printed in the Report is from the letter of the 12th March.

2406. (To Mr. *Hamilton.*) So far back as the year 1881 I think there was a question of this kind between the Public Accounts Committee and the Treasury. If you look at page 325 of the

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the Index to Reports from the Committees of Public Accounts, at paragraph 62 I think you will find that, after considering the sanction which was given by the Treasury, the Committee used these words, "Your Committee cannot altogether approve of this proceeding, because they think that there might be some danger of arrangements of this kind being made at the end of a financial year merely to save the Estimates of a succeeding year, although, no doubt, any such arrangement would be jealously scrutinised by the Treasury." I suppose in this case the Treasury exercised that jealous scrutiny, and came to the conclusion that it was an expenditure to avoid an excess in the following year?—I think I may say that that was so, but it is also fair to point out that on page 347 of the Index the Treasury did not take the same line as the Committee. The Treasury said, in their Minute dealing with that Report of the Committee of Public Accounts: "Doubtless such a discretion, like every other, is open to abuse, but my Lords doubt whether its withdrawal would be for the public interest." I am aware that this question has been before the Committee in an analogous form already this year; indeed, it has been repeatedly before the Committee of Public Accounts.

2407. (To Sir *C. L. Ryan.*) Rather stronger reasons appear to have been given to the Treasury for this expenditure than were quoted to you, because, as I understand, only the first letter to the Treasury from the Office of Works was quoted to you in reply to your query, and not the second letter which has just been read to the Committee?—That is so.

2408. An expenditure of this kind to avoid an excess in the following year owing to a special need of stores would, I presume, come in rather a different category from an expenditure simply to prevent a surrender of money, operating as a relief of the ordinary Estimates of the succeeding year?—Yes; the Committee will observe the question distinctly asked was whether provision had been made for those stores in the succeeding year; the words of the query were, "whether provision for the supply thus obtained was made in the Estimate for 1889–90." No direct answer was given to that point. If this was an exceptional case, to be sanctioned on exceptional grounds, it would probably have saved the time of the Committee if the matter had been stated more fully by the Office of Works when the question was raised.

2409. In paragraph 5 of your Report on this Vote I observe you inquired whether Treasury authority had been obtained for relieving the Office of Works of responsibility for the value of certain articles which were missing; but you say you received no reply?—That, I think, is an error. A reply was received just before the volume went to press; it will be found on page 63.

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Chairman—continued.

But the question is not really settled by that letter.

2410. (To Mr. *Hamilton.*) How do the Treasury propose to settle that?—I think the Treasury Minute to which the Comptroller and Auditor General calls attention must be held to apply to stores certainly as well as to cash. The interpretation which Mr. Primrose, as representing the Office of Works, places upon the Minute, or rather I should say the rule, seems to me to be a fair and sensible one, in that he excepts from the rule "casual deficiencies arising out of waste or loss within the limits of what is more or less inevitable in the management of a large business." But, although that may be a fair interpretation of the rule, it appears that these deficiencies to which the Comptroller and Auditor General calls attention could hardly be said to come under the category of "casual deficiencies."

2411. Then that matter remains unsettled?—Yes; nothing more has passed; in fact, it has not been referred to the Treasury at all. I think, however, it is a case where the Treasury sanction ought to have been obtained, because the missing articles included such articles as a prismatic compass, which would appear to be something more than "casual deficiencies."

2412. (To Mr. *Primrose.*) Is there anything more proposed to be done at the Office of Works?—The only thing we could do would be to apply for covering Treasury sanction. As regards the prismatic compass, that matter was very fully discussed before the Committee last year; and, although no positive orders were given on the subject, we considered it was settled that it was irrecoverable, and must be written off. The other articles were articles either lost or damaged, or condemned by Boards of Survey. We considered it was really hardly necessary to go to the Treasury in that case, although certainly the words of the Treasury letter would require that we should.

2413. I suppose that course will now be adopted?—Yes, we can do so.

On VOTE 17.

DIPLOMATIC AND CONSULAR BUILDINGS.

Chairman.

2414. (To Mr. *Primrose.*) Under this Vote there is a very large transfer from one Sub-Head to another; it seems that certain works at Chemulpho were postponed in order to meet an anticipated excess on Sub-Head I., and that there has been an expenditure in Paris of 2,850 *l.* 8 *s.* 3 *d.* more than was provided for in the Grant; perhaps you can explain that matter?—The reason for that very heavy excess was that we proposed to make certain alterations and repairs on Lord

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. SPRING-RICE, and Mr. PRIMROSE, C.S.I. [*Continued.*

APPROPRIATION ACCOUNTS—Class I.

Vote 17.—Diplomatic and Consular Buildings—*continued.*

Chairman—continued.

Lytton's taking possession of the Embassy; and when we were carrying them out we found that the state of the building was so serious that we were really obliged for its safety to go on much further than we had expected. We found that the beams of the house were, many of them, in an exceedingly rotten condition, and many of the ceilings were in danger of coming down, and we had no alternative but to go on if the house was to be inhabited.

2415. There was also a large outlay on sanitary work, was there not?—Yes; there was a considerable outlay on sanitary work.

2416. What was the site at Chemulpho and the other works that were postponed under Sub-Head A.?—We postponed obtaining the site at Chemulpho, and, as regards four new works which are mentioned on page 73, we limited our expenditure with a view to making a saving.

2417. What was the site at Chemulpho for?—For a new consulate.

[Mr. *Primrose* withdrew.

On VOTE 18.

HARBOURS, &c., UNDER THE BOARD OF TRADE.

Mr. WILSON D. W. LYONS, called in; and Examined.

Chairman.

2418. I UNDERSTAND you attend here as representing Mr. Stoneham, who is unable to be present?—Yes.

2419. Is there any rule or understanding with Foreign Governments under which immunity is claimed for damage done by men-of-war?—Men-of-war are exempt; our men-of-war are also exempt.

2420. Is that a general understanding between the Governments?—Yes.

2421. Does that apply also to mail steamers?—Yes, to the Belgian mail packets. (Mr. *Hamilton.*) In this case it is under an Article of the Postal Convention between Great Britain and Belgium. It was stipulated that the Belgian packets should be treated as men-of-war.

On VOTE 25.

PUBLIC BUILDINGS, IRELAND.

Chairman.

2422. (To Mr. *Hamilton.*) Was not it rather an irregular proceeding to make a payment of 100 *l.* to the guardians of a union which owed a sum of no less than 1,485 *l.* 9 *s.* 6 *d.* to the Board of Works?—Yes; that would appear to be so on the face of it. In fact, the Treasury originally intended that the payment should be in discharge of the arrears of the loan, but it was found that such an application of the payment of the 100 *l.* would have meant the relief of 22 divisions at the expense of one, and therefore the Treasury allowed the payment.

2423. I see on the 10th of November a strong objection was made on the part of the Treasury to this which they described as not a satisfactory arrangement; I suppose there has been some correspondence since?—There has been some correspondence since. As the liability in respect of the loan for seed extended over 22 divisions, and the water works affected only one division, the Treasury did not think it fair that the original condition should be maintained.

2424. Can you explain the charge of 604 *l.*, under the Sub-Head "Maintenance" in respect of the value of certain plant transferred from Greystone's Pier to Kingstown Pier; it seems that on the 15th of October 1889, the plant had not been brought on charge in the Store Ledger?—I have been in communication with the Office of Works, Ireland, about the question which the Comptroller and Auditor General raises, and I have had an explanation from that office. I understand they did intend to transfer the plant from Greystones to Kingstown Harbour in the end of the financial year 1888–89, that is to say, in March 1889; but they delayed doing so owing to the fact that there was a contractor who might prefer a claim upon some portion of the plant.

2425. As a matter of fact they ought to have made the charge in the following year?—Yes, no doubt they ought; I think the Comptroller and Auditor General is quite right in taking exception to the charge as it is.

2426. Do you know on what date the plant was actually delivered?—No, but it could not have been delivered before the following November. It may be urged that there were exceptional circumstances connected with this charge, inasmuch as this plant was practically in the keeping of the Board of Works. There was a lien upon part of it, because they knew the contractor would be likely to make a claim, but as regards whatever the contractor did not put in, a claim to the Board of Works had complete control. At the same time I do not think they were right to bring it into charge in the year 1888–89.

2427. (To

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. SPRING-RICE, and Mr. LYONS. [*Continued.*

APPROPRIATION ACCOUNTS.

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

On VOTE 1.

HOUSE OF LORDS OFFICES.

Chairman.

2427. (To Sir *C. L. Ryan.*) I understand you are going to have an opportunity of making a detailed examination of the Fee Fund Account of the House of Lords?—That is so.

On VOTE 2.

HOUSE OF COMMONS OFFICES.

Chairman.

2428. (To Mr. *Hamilton.*) It appears that under an Act of Parliament the Speaker carries out the audit of the Exchequer Extra Receipts, which are composed of the proceeds of Fees on Private Bills; are you aware who actually conducts the audit for the Speaker?—I am not acquainted with the arrangements.

Mr. *Wodehouse.*

2429. Is there no report given to the House of the results of the audit?—Not that I am aware of. It is entirely in the hands of the Speaker, I believe.

2430. He communicates nothing to the House about it?—Not that I am aware of.

On VOTE 8.

BOARD OF TRADE.

Chairman.

2431. (To Mr. *Lyons.*) Perhaps you could explain on behalf of Mr. Stoneham how this sum of 6 *l.* 4 *s.* came to be paid in respect of the proceedings of a court which was not constituted in accordance with the provisions of the Merchant Shipping Act?—The consul complied with the spirit of the Act but not with the letter of the Act. He could not obtain British subjects to serve, and therefore he employed a Dutch captain and an American merchant; if they had been British subjects the courts would have been properly constituted. The finding of the court was a good one.

2432. (To Mr. *Hamilton.*) Were the Treasury satisfied; I think they gave their sanction, did they not?—The Treasury did subsequently give their sanction.

2433. Was that after some inquiry?—Yes, after they had raised some inquiry about it.

[Mr. *Lyons* withdrew.

APPROPRIATION ACCOUNTS—Class II.

On VOTE 9.

BANKRUPTCY DEPARTMENT OF THE BOARD OF TRADE.

Chairman.

2434. (To Mr. *Hamilton.*) Under this Vote, with Treasury sanction, a new Sub-Head seems to have been opened and charged with the balance of certain deficiencies arising in the accounts of the late Mr. Deane, formerly official receiver at Batley, in consequence of defalcations committed by his chief clerk; under what circumstances was that done?—The case, I think, is described by the Comptroller and Auditor General here; it was a case of defalcation. I suppose the Committee does not want to go into the details of it; but I may perhaps mention that since this defalcation arose there have been two steps taken which we hope will prevent the recurrence of defaults in future; there has been appointed by the Board of Trade an inspector of official receivers, and an improved system of auditing the official receiver's accounts has also been instituted.

EXTRA RECEIPTS.

Chairman.

2435. In paragraph 4 of the Report on this Vote the fact of a Treasury Minute having been issued is set forth; have the intentions indicated in that Minute been carried out?—Yes.

2436. Has the account been adjusted?—It has; there is a new Treasury Minute drawn this year (I am not certain that the Comptroller and Auditor General has had a copy of it), about February or March last, showing that the account has been adjusted on a somewhat improved basis up to the year 1888–89.

VOTE 14 postponed.

On VOTE 15.

LOCAL GOVERNMENT BOARD.

Chairman.

2437. (To Sir *C. L. Ryan.*) On this Vote Sir Hugh Owen gave some assurances to the Committee last year as to the alterations with regard to travelling expenses which have been introduced at the Local Government Board in consequence of the representations in your Report. You state that the reduction in the year 1888–89 from these returns has amounted to upwards of 1,000 *l.*, and that in the first six months of 1889–90 the reduction has amounted to 436 *l.*; that seems to be a very satisfactory result?—Yes; I may add that the reduction has continued to the end of the year, and the sum of about 800 *l.* is shown as the reduction of the expenditure on this account.

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. SPRING-RICE. [*Continued.*

APPROPRIATION ACCOUNTS—Class II.

On VOTE 19.

PATENT OFFICE.

Mr. H. READER LACK, called in; and Examined.

Chairman.

2438. THERE seem to be still some considerable arrears of abridgments, and as much as 4,293 *l.* has been saved apparently under Sub-Head A,, including 2,191 *l.* upon outside abridgers; is that so?—Yes; we were not able to bring the new abridgment scheme into operation until 1889, owing to the Amending Act of 1888 not passing until the Christmas Eve in 1888.

2439. Was that the cause of delay?—Yes; I may tell you that in 1889 we increased the abridgments to over 15,000.

2440. Have you now a full staff of abridgers at work?—We have a staff of 67 outside abridgers, and last year we examined and passed 15,569 abridgments; so that we really are now on working lines; but we were not able to set free a certain number of examiners on the staff until the new Act came into operation on the 1st of January 1889.

2441. Are you satisfied with the progress which is now being made?—Yes, I think we shall get on very well.

2442. The Comptroller and Auditor General draws attention to the fact that the accounting officer, Mr. Stoneham, in drawing up his explanations, has not mentioned some of the causes of this large saving under Sub-Head A.; and he mentions first a sum of 97 *l.* under the head of "Results Pay to Patent Office in respect of arrears of abridgments," and also a sum of 236 *l.*, under the head of "Index to Official Journals, and Library Manuscript Index," which have remained unexpended; is that so?—Yes; I have brought an account which I may hand in, showing the actual differences (*handing the same to the Chairman*).

2443. Giving a full explanation?—Yes, a full explanation.

2444. The Comptroller and Auditor General also mentions that the office of Deputy Comptroller General became vacant on the 24th September 1888, and was abolished?—Yes; that is shown on the statement.

2445. That results in a surplus of 450 *l.*, as is shown in this statement?—Yes.

2446. The Comptroller and Auditor General also states that the office of one assistant examiner and three lower division clerks remained vacant throughout the year?—Yes, and also that a clerk was suspended during a portion of the year; those also are shown in the table which I have handed in.

2447. (To Mr. *Hamilton.*) How far has the suggestion been carried out, which is alluded to in paragraph 4, as to the nature of the check adopted for insuring that stamps to the full value

Chairman—continued.

of the money received for the copies are, in all cases, affixed to the documents and cancelled?—There has been an inquiry made into the question, and the Treasury came to the conclusion that the best thing to do was to abolish the system of stamps in this case, and substitute cash payments. As the Committee are aware, the fees were formerly taken on stamps, and there was some risk attaching to their not being cancelled properly, and to their being used again. The new system is now in force.

2448. (To Mr. *Hamilton.*) Are you satisfied that that is an improvement?—I think it a decided improvement.

2449. (To Sir *C. L. Ryan.*) Would you also be of that opinion?—I am not aware of the circumstances, and, therefore, I cannot give an opinion.

2450. (To Mr. *Hamilton.*) With respect to the question of spoiled Patent Office fee stamps, has anything more been done at the Treasury?—There have been some new regulations made by the Patent Office, which have been submitted to the Treasury, and the Treasury think they afford the necessary protection to the revenue.

2251. (To Sir *C. L. Ryan.*) This matter will no doubt come before you in another year?—I presume so.

On VOTE 20.

PAYMASTER GENERAL'S OFFICE.

Chairman.

2452. (To Mr. *Hamilton.*) Will this separate Vote for the Pay Office come to an end next year?—That depends upon what steps are taken with regard to the re-construction of the office.

2453. The Act passed in 1889 will affect this, will it not?—Yes, when any action is taken under that Act, which is an enabling power to the Treasury, so to speak, to abolish the Pay Office as at present constituted.

2454. Is there any need to maintain this separate office?—That is hardly for me to say; there probably will be need to maintain it in some form as a branch of the Treasury; for, while the duties connected with the payment of salaries may admit of being transferred to the Bank of England, some part of the Pay Office staff will be required for non-effective payments.

VOTE 27 postponed.

2455. (To

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18 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. SPRING-RICE, and Mr. LACK. [*Continued.*

APPROPRIATION ACCOUNTS—Class II.

On VOTE 38.

LOCAL GOVERNMENT BOARD, IRELAND.

Chairman.

2455. (To Sir *C. L. Ryan.*) I observe that you have discovered a departure from the Act of Parliament, and thereby a considerable saving will be effected in this Vote ?—Yes, that is so.

APPROPRIATION ACCOUNTS—Class II.

VOTE 39 postponed.

On VOTES 40, 41, and 42.

No Questions.

[The Witnesses withdrew.

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Wednesday, 25th June 1890.

MEMBERS PRESENT:

Mr. Barran.	Sir John Lubbock.
Sir Walter Barttelot.	Mr. Salt.
Mr. Sydney Buxton.	Sir Richard Temple.
Mr. Donald Crawford.	Mr. Webb.
Sir Ughtred Kay-Shuttleworth.	Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1888-89.

Mr. EDWARD W. HAMILTON, C.B., and Sir CHARLES LISTER RYAN, K.C.B., re-called; and further Examined.

CLASS II.

SALARIES AND EXPENSES OF CIVIL ESTABLISHMENTS.

On VOTE 14.

LAND COMMISSIONERS FOR ENGLAND.

Chairman.

2456. (To Mr. *Hamilton.*) IN paragraph 4 of the Comptroller and Auditor General's Report it is stated that the amounts owing to the Land Commissioners, in respect of outlay under the "Expenses Repayable" portion of the Vote, was 11,686 *l.* 2 *s.* 10 *d.*; will this amount be repaid?—This amount will be repaid, and is in course of repayment; and since the date of the Comptroller and Auditor General's Report we have received an account made up to the 31st of March last, from which it appears that the amount outstanding has been very materially reduced; in fact, it is reduced to about 4,000 *l.*

Chairman—continued.

2457. Are the repayments under the Extraordinary Tithe Redemption Act, 1886, also coming in?—They form part of the Expenses Repayable.

2458. Are they coming in also?—Yes.

On VOTE 27.

MERCANTILE MARINE FUND (GRANT-IN-AID).

Mr. ALLEN STONEHAM, called in; and Examined.

Chairman.

2459. THE Comptroller and Auditor General reports that there has been a great improvement in the financial position of this fund during the year, that the deficiency of income has been reduced to 4,240 *l.*, and that an equilibrium between receipts and expenditure has almost been obtained; he attributes this mainly to the increased rates of light dues, and also in part to increased activity in the shipping trade; is there a prospect of the equilibrium being now maintained?—I think so. On the 31st of March last I anticipate there would be a surplus for the year of about 20,000 *l.*, or perhaps rather more; therefore, there will be an increase of the balance in favour of the Mercantile Marine Fund.

Chairman—continued.

2460. It appears that no part of the loan of 200,000 *l.* from Greenwich Hospital has been yet paid off?—We have not sufficient money. The loan, you will observe, was made for 10 years. Of course, it will be a matter of negotiation, when

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25 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. STONEHAM. [*Continued.*

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman—continued.

when the balance on the Mercantile Marine Fund is sufficiently large, whether any part of that can be returned to the Admiralty or not.

2461. Certain financial arrangements as to the Mercantile Marine Fund seem to have been made between the Board of Trade and the Treasury for five years, which have now terminated; have any new arrangements been entered into?—(Mr. *Hamilton.*) There have been no definite arrangements made. The same sum of 40,000*l.* was inserted in the Estimates for 1889–90, and likewise for the current year. Meanwhile a Departmental Committee has been considering generally the position of the Mercantile Marine Fund, and the report of that Committee is now under the consideration of the Board of Trade. Until that report has been acted upon, after it has been taken into consideration by the Treasury as well as by the Board of Trade, no definite arrangement will be made.

2462. Then, as regards the form of the account, that matter has been under the consideration of the Treasury Officers of Account, I think; have they arrived at any conclusion?—The Treasury Officers of Account somewhat delayed going into the matter on account of this Departmental Committee, to which I have just referred, but they have quite recently prepared a draft form of account, and it is now ready for submission to the Board of Trade and the Audit Office."

2463. (To Mr. *Stoneham.*) In paragraph 5 of the Report it appears that in two instances steamships belonging to the Trinity House Corporation were sold without the previous sanction of the Board of Trade. In one of those cases we are informed that the "Hercules" had been valued at 3,000*l.*, but was disposed of by the Trinity Board for 1,000*l.* only, whilst the "Beacon" was sold, apparently without previous valuation, for 550*l.*; it also appears that the Board of Trade was dissatisfied with the action of the Trinity Board, but found it difficult to refuse an *ex post facto* sanction to the transactions; will you kindly explain how that was?—I do not think the Board of Trade were altogether dissatisfied with the prices obtained, but the Board of Trade did call attention to the fact that those vessels had been sold without their previous sanction as to the acceptance of the sums offered; perhaps, however, the better way would be to read the explanation which the Trinity House have forwarded to the Board of Trade upon the subject.

2464. Is it very long?—It is not very long. If you are satisfied with what I have said, of course I will not trouble the Committee further.

2465. Is the Board of Trade satisfied with the explanation that has been given?—I think so.

2466. I think perhaps, if you will let me look at the Explanatory Statement, I will consider whether it need be circulated to the Committee; I do not think we need trouble you to read it at

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman—continued.

present?—If you please (*handing a Statement to the Chairman*).

2467. (To Sir *C. L. Ryan.*) Has a copy of this statement been furnished to you?—It has.

2468. Have you anything to say upon it?—No; I think the explanation of the Trinity House puts the matter in rather a different position from what it was in when the papers came before me at the time of my examination upon this Vote, and that it makes out a better case for the action of the Trinity House than I was previously aware of.

2469. (To Mr. *Stoneham.*) In the case of the disused lighthouse at Harwich, it appears to have been the custom of the Trinity House to let it, and to carry the rent received for it to the credit of the Mercantile Marine Fund; is it correct to state that it was claimed by the Trinity House Corporation as its private property?—I think I must trouble you there with the explanation of the Trinity House. The Secretary to the Trinity House, in his letter to the Board of Trade of the 14th June says: "I am directed to acquaint you that at the time when the building of the lights at Dovercourt" (that is the lighthouse referred to in this paragraph) "was under discussion, it appears by a letter from this House to the Board of Trade, dated May 1859, that, as against the costs of the new lights, 'the value of the present lighthouses and dwellings in the town of Harwich must be considered;' so that it may be assumed that if at that time the premises had been sold, the proceeds of sale, after satisfying any claims which might have been brought forward against them, would have been paid into the Mercantile Marine Fund. But as the condition of the Beach End and Landguard Point proved to be very varying and unsettled, the Harwich towers and dwellings were retained until it should be certain that they would not be again required. In the year 1863 opportunities offered for letting the dwelling-houses, and subsequently both towers were let for longer or shorter periods, whereupon the question appears to have arisen whether the rents were applicable to the Mercantile Marine Fund. The opinion of the Corporation's solicitor upon that point as given in 1866 has already been communicated to the Board of Trade, but although according to his view they were not so applicable, they were not appropriated in any way, but have ever since been carried to a separate account and dealt with as possibly subject among other things to a claim by the original owners of the site for the period since the discontinuance of the premises as lighthouses. The subject has now been submitted to counsel, and the Corporation are advised that although it is not clear that the rents in question are not "other sums" within the meaning of Section 417 of the Act 17 & 18 Vict. c. 104, the question is doubtful. As regards the possibility of a claim being set up to the disused towers, arising out of conditions attached to the original grant of the land, they are advised that although it is

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APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman—continued.

conceivable that grounds for such claim might hereafter be discovered, yet the Corporation would be able to justify the payment of the rents to the Mercantile Marine Fund as a good application of them *cy près*, and would therefore run no practical risk in making such payment. The Corporation are therefore prepared, with the explanation above detailed, to hand over the rents in question to the Mercantile Marine Fund, and have ordered an account to be prepared, for the information of the Board of Trade, showing the receipts and expenditure from the date of the first letting to the present time. They have also ordered that similar accounts be prepared in respect of rents and expenditure on two other disused lighthouses, Lowestoft Low and Pakefield, and of expenditure on account of the Wharf at Blackwall, not brought into account for similar reasons."

2470. Then it is not intended to treat these rents as private property?—It is not; although in 1886 the Corporation were advised they were not payable to the Mercantile Marine Fund.

2471. As to the accumulated fund, that also will not be regarded as private property?—That will not be regarded as private property, I understand.

2472. Has this been a solitary instance of the treatment of the rent or the capital value of a disused lighthouse in this way?—I am scarcely prepared to answer that question; but I presume it would be so.

2473. You will observe the question is raised in the last sentence of paragraph 6 in the Comptroller and Auditor General's Report?—The Trinity House admit that there are two other instances, and they are prepared to render accounts.

2474. On the same principle?—On the same principle.

2475. The principle is applicable to all such cases?—I imagine so.

2476. (To Sir *C. L. Ryan.*) That, I imagine, satisfies you?—Yes.

2477. (To Mr. *Stoneham.*) Paragraph 7 of the Report relates to the non-recovery of penalties in the case of the illegal engagement of certain mariners; and the Comptroller and Auditor General suggests that the enforcement of the Merchant Shipping Act of 1854 would seem desirable in order to check illegal proceedings of the kind; have you any explanation to offer?—Where a clear case arises I think the Act is generally enforced; but in the case referred to here there seemed to be a question altogether in the discretion of the Board of Trade whether it is desirable to endeavour to obtain a conviction under the circumstances. The penalty incurred for any illegal shipment is against the master. In this instance the complaint of illegal shipment came from Shanghai in respect of a default committed at New York, of which there was no legal proof. Some of the men who were

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman—continued.

alleged to have been illegally shipped were in London; the master had sailed, no one knew whither, in a colonial registered vessel, which was not very likely to come to London; and it was therefore a matter of discretion, and in the exercise of a wise discretion, I venture to submit, that the Board of Trade did not keep the men while they made inquiries to the possibility of prosecuting the master.

2478. You observe that the Comptroller and Auditor General states that in the wording of the clause in the Act there is nothing to show that the discretion claimed was intended to be vested in the Board of Trade?—Yes; but by Section 6 of the Act the Board of Trade is designated as "the Department to undertake the general superintendence of matters relating to merchant ships and seamen, and shall be authorised to carry into execution the provisions of this Act and of all other Acts relating to merchant ships and seamen, in force for the time being, other than such Acts as relate to the revenue." Therefore, I submit it is a matter for the discretion of the Department as to whether there is or is not a reasonable prospect of obtaining a conviction before instituting a prosecution.

2479. Have you taken any legal opinion upon the point?—No; the case was so clear that it was not at the time considered necessary.

2480. (To Sir *C. L. Ryan.*) Did you suggest that discretion should rather be exercised by the Treasury or some independent authority?—No; I think that paragraph in my Report rather arose out of the broad demand for discretion, than in regard to the exercise of the discretion on the particular point raised here. The general powers claimed by the Board of Trade are not, in my view, borne out entirely by the section. At the same time, if the Board of Trade had stated that this was a case in which a conviction could not clearly be obtained at all, I should not have felt it my duty to call attention to it.

2481. (To Mr. *Stoneham.*) In the case of the conveyance home of two distressed British mariners, mentioned in paragraph 8, the Comptroller and Auditor General suggests that they might have been brought home free of charge, and thus 11 *l.* 2 *s.* might have been saved?—The Comptroller and Auditor General bases that opinion, I venture to think, upon the question as to whether the ship had or had not a full complement of crew. The Board of Trade have no no power to settle what the complement of a ship is, and, therefore, it has been a moot question for the last 30 years what the complement of a ship is. The Board of Trade have always endeavoured to settle these conveyance questions upon an equitable basis, judging from the circumstances of each case.

2482. Do you hold that it would have been inequitable to have required the ship mentioned in the paragraph, the "Duke of Argyll," to have conveyed those mariners home free of charge?—I question

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25 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. STONEHAM. [*Continued.*

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman—continued.

I question whether we could have required it, as there is no evidence of what the complement of a ship is. The ship appears to have left England with a certain number of Europeans and a certain number of Lascars in the crew; in the course of the voyage those proportions were varied, and it would have been hardly fair in the place of Lascars to have required European seamen to have been shipped. The same question frequently arises in a case (it is not perhaps germane altogether to this) where a ship goes out with a large number of stewards waiting upon the emigrants, and those stewards are discharged abroad. In such a case it would scarcely be fair, because she is short of stewards, to require her to bring home free seamen or firemen in excess of the number wanted to work the ship.

2483. (To Sir *C. L. Ryan.*) Do you desire to say anything more upon this point?—I do not wish to say anything more upon the specific point. I would only like to remind the Committee that, in dealing with these points, I feel rather a peculiar responsibility resting upon me to bring up anything that seems to me to be doubtful, because there is no such financial control over the Mercantile Marine Fund as exists in the case of Voted Services. It is not a case in which the Board of Trade are responsible to the Treasury, and if they pass anything it is passed, so to speak, for good, in a different way from what is the case in the Voted Services. The Committee will, therefore, understand that I trouble them with perhaps rather more cases than I should if the fund did not stand in the position in which it does.

Mr. *Sydney Buxton.*

2484. (To Mr. *Stoneham.*) What is the provision substantially of the Merchant Shipping Act of 1854 to which reference is made in this paragraph?—Substantially it is that a ship shall bring home distressed seamen to make up its crew if there is any deficiency in the number of the crew, or in the event of there being no deficiency, then a certain number of distressed seamen may be brought home at a reduced rate according to the tonnage; one man for every 50 tons, I think it is.

Mr. *Wodehouse.*

2485. (To Sir *C. L. Ryan.*) When you wrote this paragraph were you under the impression that it was impossible to determine with precision the ship's complement as required by the Merchant Shipping Act?—I think not. The paragraph is based upon the tonnage of the ship; and according to the tonnage those mariners would have to have been brought home, but then there arises the further question, which I had not in contemplation at the time the paragraph was written with regard to the complement of the ship.

2486. (To Mr. *Stoneham.*) In paragraph 9 of

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman.

the Report the question is raised whether certain deductions from the wages of discharged mariners were legal or not; have you any explanation to offer on the point?—The instructions to consuls are very precise, and it is their duty, when a man is discharged, to inquire into the matter. They have before them the master of the ship and the seaman, and their instructions are not to allow anything that is not in accordance with the Act. The account, of which I have a copy here, is signed by the master; it is then certified by the consul as having been examined and found to be correct. The words are, "I have examined the above account, and compared it with the agreement and the official log book, and found it to be correct, and that the balance of wages, amounting to so many pounds sterling, equal to so much, has been paid to me by the master." That is signed by the consul, and the seaman must be present and concur. The Board of Trade have never thought it necessary, unless there was something very extravagant upon the face of the account, to go beyond that.

2487. That form seems not to have been signed in several cases mentioned on page 183?—That, no doubt, was an omission on the part of the colonial officer. His attention has been called to it, and we hope the omission will not recur in future.

2488. I understand you to say that the seaman is present before the consul?—The seaman is present before the consul.

2489. And the consul takes care that his concurrence is obtained?—Those are the instructions, and we have no reason to suppose that they are not observed.

2490. Even if his signature does not appear you would regard it as probable that the consul had taken care to ascertain that the seaman was present and concurred?—Yes; unless the state of the seaman's health made it improbable that he could be present, as, for example, if he was in hospital, or something of that sort.

Mr. *Webb.*

2491. With regard to the last sentence in this paragraph of the Comptroller and Auditor General's Report, has any effort been made, in regard to those consuls who have acted in a loose manner, to call their attention to this matter?—When you speak of consuls acting in a loose manner, that is rather a broad statement.

2492. I mean the particular cases here; has their attention been called to this matter?—Attention has been called to these cases, certainly.

2493. From the replies to the queries it would appear that "due care does not appear always to be taken to procure the concurrence of the seamen in the arrangement;" are the consuls written to?—I have already said that their attention has been called to these cases.

2494. In the individual cases?—Quite so.

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25 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. STONEHAM. [*Continued.*

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman.

2495. In paragraph 10 in the case of a mariner who was discharged from a pleasure yacht "Nereid," it appears that the wages due amounted to 33 *l.* 12 *s.* 3 *d.*, and of this sum only 5 *l.* 4 *s.* was paid, and there is no evidence as to the correctness of the wages paid; can you throw any light upon that?—In this case the man was engaged on weekly wages on the yacht, and it is known that men so engaged by the week are paid weekly, and therefore further inquiry was not made.

2496. Have you reason to doubt that the 33 *l.* 12 *s.* 3 *d.* was due to the man?—I have no reason to doubt that the 33 *l.* 12 *s.* 3 *d.* was earned; but I have some reason to doubt, or I may say more than reason to doubt, that it was due; one would believe that 28 *l.* had already been paid to the man week by week.

2497. Does not the Board of Trade require evidence in a case of that kind of what was really due to the man?—Not, I think, if it were known that it is the practice of the trade to pay weekly; they would not then insist upon a statement for the whole period. It is known that in these yachts the men are engaged by the week and paid by the week.

2498. (To Sir *C. L. Ryan.*) May I ask how this matter came to your knowledge; did any complaint arise as to the non-payment of the 33 *l.* odd?—It became a charge to the Mercantile Marine Fund, and as such it would come to my knowledge, like every other charge, and when the charge was investigated it seemed there was that amount of wages due, and the Board of Trade did not give me a sufficiently full or satisfactory explanation that they had inquired with regard to the wages that appeared to be due. If the wages due had been paid over, this charge would not have come upon the Board of Trade.

2499. What appeared upon the account of the Mercantile Marine Fund was that 12 *s.* 10 *d.* had been charged?—Yes.

2500. But, I suppose, there was no information explaining that it appeared these wages were due?—Yes; there is a statement furnished of the wages due; that would appear upon the form.

2501. I gather that it was there that you noticed that that amount of wages was stated to be due?—Yes.

2502. (To Mr. *Stoneham.*) Then, in your judgment, it was an erroneous entry upon the statement that the wages due amounted to 33 *l.* 12 *s.* 3 *d.*?—Quite so.

2503. You think the statement was wrong on the face of it?—I cannot be quite certain that the statement was made on the face of the account. It is not shown upon the face of the account as due, as I understand. The account was accepted by the man in the form in which it was presented. (Sir *C. L. Ryan.*) I am sorry I have not got the papers with me. The facts appeared upon the papers; otherwise, of course, I should have had no knowledge of them. The

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman—continued.

Board of Trade did not, in my opinion, make sufficient inquiry to satisfy themselves that that was the proper charge upon the Mercantile Marine Fund, and, therefore, I thought it my duty to notice the point.

2504. (To Mr. *Stoneham.*) Perhaps you can supplement the answer you have just given on this point?—The wages account certainly shows a period of service of 26 weeks, but the account includes only four weeks as being due, and, according to the view of the Board of Trade, there is no room for doubt that four weeks' wages only were due. The account is signed by all parties, *i.e.*, the master, the seaman, and vice-consul; and to assume that it is incorrect implies that there has been gross carelessness, to say the least, on the part of master and vice-consul, and a strange indifference on the seaman's part to his own interests. The Board of Trade did not, under the circumstances, feel justified in claiming the difference of wages from the owner. The Board of Trade, after the accounts have been accepted by their agent, and the parties interested have been widely dispersed, are not in position to go behind the signatures.

[Mr. *Stoneham* withdrew.

On VOTE 39.

PUBLIC WORKS OFFICE, IRELAND.

Chairman.

2505. (To Mr. *Hamilton.*) In the second paragraph of his Report on this Vote the Comptroller and Auditor General calls attention to a case in which there has been a total loss of about 500 *l.*, including the payment of an amount of 89 *l.* 12 *s.* 6 *d.* due to the landlord for head-rent. I see, in the Treasury letter of the 16th of November 1888, the Treasury say that the loss "could hardly have been incurred if Harding's proposals had been submitted to an adequate scrutiny in the first instance." I see the loss was due to the fact that the property on which the advances were made was found to be unsaleable, and the abandonment of it was sanctioned by the Treasury; can you throw any further light upon this matter?—I am afraid I have little further light to throw upon it. It was a loss incurred in respect of this loan made to Mr. Harding. It was gone into very carefully two years ago by the Treasury, and they found it was an irrecoverable debt, and they took steps to ask Parliament to write it off so far as the assets of the Local Loans Fund were concerned. There was a further sum of 92 *l.* 2 *s.* 4 *d.* in respect of head-rent, which also had to be made good.

2506. Was it the fact of the head-rent that made the property unsaleable?—I have no doubt that it conduced to the unsaleability of it, but I do not know that it was really the reason that made it unsaleable.

2507. It seems to have been a case of great carelessness at the time the property was originally

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APPROPRIATION ACCOUNTS—Class II.

Vote 39.—Public Works Office, Ireland—*continued.*

Chairman—continued.

ally valued?—There would appear to have been a want of care in respect of the security. Steps have been taken to prevent any similar case of that kind arising in which land is subject to a head-rent.

2508. Has the Board of Public Works made any reply to this remark of the Treasury?—Their defence in their Report was this: "These loans are not, however, free in a large number of cases from risk. The value of such property as dwellings for the labouring classes depends in many cases upon the permanence of manufacturing or other industries in the locality, and had it not been for the depression of trade and the general disinclination of small capitalists during the last few years to embark in such undertakings as this, the Board believe many persons would have been found in Dungannon ready to take up and complete the project," referring to this case. The Report then adds that "The Board trust this general statement of the case will satisfy their Lordships that they have not failed to exercise proper vigilance, both in regard to the preliminary inquiries in connection with the application for the loan, and in their subsequent efforts to guard against loss in connection with it." I have not troubled the Committee with the first part of the Report, but the Board adduced other details in defence of their conduct, and the Treasury held that it was better not to pursue the matter further.

2509. Has this loss been written off?—The loss in respect of the loan was written off the year before last.

Sir *Walter Barttelot.*

2510. You naturally made very particular inquiries as to the head-rent, I presume?—That is the duty of the Board of Works.

2511. You see that they do that, I presume?—We have specially mentioned them on this account.

2512. You are, no doubt, well aware that a very large quantity of property in Ireland is held subject to head-rent?—Yes.

Mr. *Wodehouse.*

2513. Were the Treasury satisfied with the defence that there had been scrutiny in the first instance?—It was thought to be a fairly good defence. I do not know that I can go further than that.

Chairman.

2514. In paragraph 6 I observe that, with regard to the case of the Clare Slob Reclamation, the Board of Works has been requested to inform the Comptroller and Auditor General whether the application of this money to the purchase of part of an estate has been brought under the notice of the Treasury, and the Board of Works state that they did bring it under the notice of the Treasury, but they have not transmitted the correspondence necessary to show that the Treasury approval has been given?—The Treasury approval was given only quite recently. I daresay the Comptroller and Auditor General will receive it in due course if he has not yet received it.

2515. (To Sir *C. L. Ryan.*) Have you yet received it?—Yes, it has been received on the 13th of this month.

2516. (To Mr. *Hamilton.*) I observe that a sum of 7,500 *l.* was charged as advanced to the Cork and Muskerry Light Railway, being part of a balance of 10,000 *l.* authorised by the Treasury on condition of the whole line being completed and opened for traffic, and on the certificate of the Board of Trade Inspector that the line was in good order, and so on; no certificate of the Board of Trade officer has been furnished I understand; how is that?—I am afraid I have nothing to add to the correspondence which is attached to the Comptroller and Auditor General's Report, in which it will be seen that the Treasury expressed their opinion upon the case. They had an explanation from the Board of Works as to how it came about that the certificate was not furnished, and I am bound to say the Treasury were not very well satisfied with the explanation.

2517. This sum of 7,500 *l.* seemed to have been improperly advanced?—I think it was more a misunderstanding, a consequence of their not fully understanding the conditions upon which the advance was to be made, than anything else.

2518. I understand you not quite to admit that the 7,500 *l.* was improperly advanced; but I see in the Treasury letter it is stated that the Treasury are "of opinion that the explanations of the Board of Works are insufficient to justify the non-observance of one of the directions in the letter from this Board by which the loan was sanctioned, and that the certificate required should either have been obtained or Treasury permission asked to dispense with it"?—What was intended to be implied was, that the Board of Works had failed to take into sufficient account the conditions upon which this loan ought to have been made.

2519. Then it comes to this, does it not, that this 7,500 *l.* was improperly advanced?—Perhaps "improperly" is rather too strong a term; it was more an act of omission than commission.

Sir *Walter Barttelot.*

2520. I presume the 7,500 *l.* was advanced before the works were completed?—Hardly so. Before advancing the money the Board of Works had satisfied themselves that the works were actually completed. The informality was that they did not wait for the certificate of the Board of Trade inspector to that effect.

2521. What I should like to ask is, have the works been completed since, so as to bring 7,500 *l.* under its proper head, namely, that they have the right to receive it?—That is the case.

2522. Then let me ask this further question, because, in the cases of a railway particularly, the money is far more use to them before the work is completed; is it an absolute positive order that the money is not to be advanced before the work is absolutely completed?——

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APPROPRIATION ACCOUNTS—Class II.

Vote 39.—Public Works Office, Ireland—*continued.*

Chairman.

2523. I think the question of the honourable Member is partly answered by what is stated in the Report, namely, that the 7,500 *l.* was part of a balance of 10,000 *l.* authorised by the Treasury; apparently the balance of 10,000 *l.* was only to be paid after the completion of the whole of the works, and on the certificate of the Board of Trade; is not that so?—Yes.

2524. Can you state to the Committee what the total of the loan was, or how much there was in addition to this balance of 10,000 *l.*?—The Committee will observe that 20,000 *l.* was the amount sanctioned, and 17,500 *l.* was the amount advanced out of the 20,000 *l.* (Sir *C. L. Ryan.*) I can perhaps answer that question. I have here a letter of the Treasury in which they state that "their Lordships have come to the conclusion that they are justified in consenting to an advance on the guaranteed shares of the company to the extent of 20,000 *l.*, such advance to be made upon the following condition," and so on.

CLASS III.

LAW AND JUSTICE.

On VOTE 1.

LAW CHARGES, ENGLAND.

Chairman.

2525. (To Mr. *Hamilton.*) I see there is a very large excess on Sub-Head J. for Parliamentary Agency. The original grant was 1,000 *l.*, and there seems to be an excess of 1,217 *l.* 11 *s.* 7 *d.* The explanation given is that this sum was "incurred chiefly for Irish Drainage Bills under Treasury directions." I would like to ask two questions: first, what were those Drainage Bills, and, secondly, how came so very large a sum to be spent for Parliamentary Agency?—The Bills were the Bann and Barrow Drainage Bills, introduced by the Chief Secretary for Ireland, and being of the nature of Private Bills they had to comply with the Standing Orders as regards fees, &c.

2526. I think they never went through Committee, if I remember rightly?—One did, but not the other.

2527. They were not estimated for, I imagine, in the original Estimate?—No; the Government determined to introduce them after the Estimate was framed.

On VOTE 3.

SUPREME COURT OF JUDICATURE.

Chairman.

2528. (To Mr. *Hamilton.*) A question seems to have existed for some time between the Treasury and more than one Lord Chancellor, as to the proportion between the day allowance to Masters in Lunacy and Visitors of Lunatics, and the allowance given when they are absent for a night on that duty; I see that the Lord Chancellor's secretary's answer to the letter from the Treasury states that he has no objection, if the Treasury desire it, to take the question up during the next sittings, and communicate his opinion to the Treasury; what has been done on that?—The subject was resumed, and the Treasury proposed a new order under which an allowance of 10 *s.* 6 *d.* for every day on which a Master or Visitor was absent from home upon duty for four hours, terminating later than 8.30 p.m., should form part of the scale. We have had no definite answer from the Lord Chancellor as regards that suggestion; so that the matter is still under consideration.

APPROPRIATION ACCOUNTS—Class III.

Vote 3.—Supreme Court of Judicature—*continued.*

Chairman—continued.

2529. How soon is it likely to be settled?—We are waiting for the Lord Chancellor's reply.

2530. I see the date of the letter from the Lord Chancellor's secretary, to which I referred just now, is the 3rd of October 1888?—The suggestion to which I refer was made in December last.

On VOTE 12.

PRISONS, ENGLAND AND THE COLONIES.

Chairman.

2531. (To Sir *C. L. Ryan.*) I see from your Report that you have made several personal and local investigations with respect to the stores and manufacturing accounts at the various prisons, and the results have proved generally satisfactory?—They have.

2532. The methods for accounting for stores are improving, as I understand?—Yes; I think they are getting on to a very good system.

2533. (To Mr. *Hamilton.*) In paragraph 10 of the Report reference is made to the fact that the subject of Prison Charities has been before the Public Accounts Committee last year and also in the previous year; can you give me any further information as to the progress which has been made on the subject of Prison Charities?—A large number of charities have been dealt with, and the Discharged Prisoners' Aid Societies concerned have been notified that the fund thus made available would be in reduction of any Grant in the Votes.

2534. Schemes have been adopted in a great many cases by which means the money will be handed on to the Discharged Prisoners' Aid Societies?—So I understand.

2535. The Treasury will make a reduction from the allowance it gives on behalf of discharged prisoners in respect of these payments from the endowment?—Yes, they will be taken into account.

2536. How soon do you expect that all these prisoners' charities will be dealt with by means of schemes?—I imagine almost immediately now. I gathered from the Director of Prisons that they were practically complete.

2537. (To Sir *C. L. Ryan.*) Have you any further information upon the subject since you reported?—No; I have no further information.

2538. (To

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APPROPRIATION ACCOUNTS—Class III.

On VOTE 14.

BROADMOOR CRIMINAL LUNATIC ASYLUM, ENGLAND.

Chairman.

2538. (To Mr. *Hamilton.*) The Comptroller and Auditor General calls attention to an expenditure, under Sub-Head P., of 100 *l.*, as a subscription towards the completion of Crowthorne Church; the special grounds stated are that increased church accommodation was required to meet the needs of the staff of the asylum and their families; I think there is a chapel in connection with Broadmoor Lunatic Asylum, is there not?—I believe that is the case; that building would be for the inmates of the asylum only, I presume.

2539. Do you think that a subscription of this kind falls fairly within the purposes of the Vote?—I think so. I admit it was not specially provided for, but I think it is a proper charge for the Vote to have borne. The asylum people are presumably the principal parishioners in the district, and, like any other principal parishioners in a district, they would be expected to subscribe to the church, and it was naturally charged to the Sub-Head of Incidental Expenses. The Treasury, in giving their sanction to the charge, made it a condition that the remainder of the amount required for the work should be raised before the grant was paid.

2540. (To Sir *C. L. Ryan.*) I suppose you have thought it your duty to mention it because it was rather an exceptional item?—Yes, because I had some doubt whether it was within the four corners of the Vote.

On VOTE 20.

PRISONS, SCOTLAND.

Chairman.

2541. (To Sir *C. L. Ryan.*) In the case of the Scotch Prisons at Edinburgh, Glasgow, Perth, Dundee, and Greenock, you have also made, I understand, a local examination by means of which you have been able to test the accuracy of the abstract statement of the Manufacturing Department?—Yes.

2542. There has been a distinct improvement, I understand?—Since last year, I think, there has.

2543. Are you satisfied on the whole?—I am satisfied that it is now in a fair way of being a good system of account.

On VOTE 21.

LAW CHARGES AND CRIMINAL PROSECUTIONS, IRELAND.

Chairman.

2544. (To Mr. *Hamilton.*) It appears in paragraph 3 of the Report that the balance of salary due to the late Crown and Treasury Solicitor has been for a long time unsettled, and there has apparently been an interminable correspondence on the subject; has that matter now been settled?—Yes; the "interminable correspondence" has now come to an end, and, on the application of Mr. Lane Joynt, who is the Crown and Treasury Solicitor, a fresh order was issued for the amount he formerly refused to take.

2545. (To Sir *C. L. Ryan.*) In paragraph 5 you call attention to an exceptional outlay in connection with the representation of the General Prisons Board and Constabulary at certain inquests; I think you state you do that because of the special character of the expenditure?—I thought it was only right and proper, when there was any special expenditure, to call attention to it, in case Parliament thought proper to make inquiry.

2546. The expenditure in this case, looking at the explanation to Sub-Head G., appears to amount to about 1,743 *l.*?—That is so.

On VOTE 27.

IRISH LAND COMMISSION.

Chairman.

2547. (To Sir *C. L. Ryan.*) You have not been furnished, I understand, with the authority of the Treasury for the excess on this Vote under Sub-Head C.?—No, I have not.

2548. (To Mr. *Hamilton.*) Has that authority been given?—The authority has been given.

2549. No doubt it will be furnished to the Comptroller and Auditor General?—I presume so; it was given on the 13th of November last.

2550. Similarly it appears no reply has been furnished to the Comptroller and Auditor General with respect to the Treasury authority for an additional expenditure on the pay of copyists?—That has also been sanctioned.

2551. The Comptroller and Auditor General calls attention to the great inconvenience caused to his department by the irregularity in delivery of the monthly accounts of the expenditure under this Vote for audit, and also by the delay in furnishing within a reasonable time the proper information and authorities; has the Treasury taken any action upon that complaint?—I have been in communication with the Accounting Officer, and I find that as regards the delay in rendering the Appropriation Account, one of the reasons for it was the absence through illness of the Assistant Secretary; there was also a certain misunderstanding as to whether certain payments should be included in the Account of 1889, or whether adjustment was necessary. As regards the irregularity in the delivery of the monthly accounts, he submits, in extenuation of the irregularity, that the accounts include a very large number of Sub-Heads, and expenses incurred

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APPROPRIATION ACCOUNTS—Class III.

Vote 27.—Irish Land Commission—*continued.*

Chairman—continued.

all over Ireland, and the correspondence very often involves delay; but his attention having been specially called to this irregularity by the Comptroller and Auditor General, he and the Commissioners will do all in their power to avoid the recurrence of it.

On VOTE 30.

CONSTABULARY OF IRELAND.

Chairman.

2552. (To Sir *C. L. Ryan*). I see you raised a question in a letter addressed to the Inspector General of the Royal Irish Constabulary as to the quasi-permanent employment of certain members of the Constabulary out of Ireland; you have a

APPROPRIATION ACCOUNTS—Class III.

Vote 30.—Constabulary of Ireland—*continued.*

Chairman—continued.

doubt whether the section referred to by the Inspector General in his letter, namely, Section 6 of the Act regulating the Constabulary, really gives power for the quasi-permanent employment of constables out of Ireland?—That is so. The whole Act seems to me to relate entirely to the employment of constables in Ireland.

2553. (To Mr. *Hamilton.*) Do you know whether the Law Officers of the Crown, or any legal authority, have been consulted to support that opinion of the Inspector General of Constabulary?—Not that I am aware of.

2554. Would it not be well, as this question has been raised, to submit the matter to the Law Officers; perhaps the Treasury will consider that?—Any suggestion on the part of the Committee will of course be duly considered by the Treasury.

CLASS IV.

EDUCATION, SCIENCE AND ART.

On VOTE 1.

PUBLIC EDUCATION, ENGLAND AND WALES.

Mr. G. W. KEKEWICH, called in; and Examined.

Chairman.

2555. (To Mr. *Kekewich.*) I UNDERSTAND many of the questions raised by the Comptroller and Auditor General's Report arose in the time of your predecessor, Mr. Cumin; I shall not trouble you with many questions upon points raised by the Comptroller and Auditor General; but I should like to ask, with respect to the three schools that are mentioned, namely, the Needham School, the Stanton School, and the Kennington School; has the Education Department considered whether a better system should not be devised of settling whether the population of a district comes within the limit of 300 or of 200?—I do not think we could order that a census should be taken in every case, but I think we could do so where the slightest doubt is felt as regards the payment being within the limits of the Act. In the case of the Needham School, I think the contention of the Comptroller and Auditor General is just. I understand the term "population" is employed to a certain extent in a technical sense in the Act, and that it means the ordinary school population. If you were to take a census on the same principle as that pursued with respect to the ordinary decennial census, you would include, for the purpose of the population, a workhouse, or a lunatic asylum, or any institution of a similar character; and obviously that would deprive a small school which was necessarily small of the benefit of the grant. The intention of the Legislature was, as I under-

Chairman—continued.

stand, to give these grants to schools which were necessarily small, and therefore necessarily expensive. The size of the school would not be increased by the presence of such an institution as I have named within the district.

2556. Did I rightly understand you to say that you considered that the Comptroller and Auditor General's contention was a just one in the case of Needham School?—In the case of Needham School I think it is a just contention.

Sir *Richard Temple.*

2557. (To Sir *C. L. Ryan.*) In your Report you say, "It seems to me that a census for purposes of these grants should be taken as far as possible on the same principle as that pursued with respect to the ordinary decennial census;" when you speak of "a census for purposes of these grants," do you mean a special census; who is to take such a census?—I think Mr. Kekewich, as representing the Education Department, could best explain that. (Mr. *Kekewich.*) When a census is necessary for the purpose we ask the managers to take it if there is any doubt.

2558. How do they take it?—By a house to house visitation, I suppose. It would, of course, be in a small parish.

2559. Is that largely done?—It is not largely done; but we occasionally call for a census when we have any doubt as to whether the grant is due.

2560. Supposing

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25 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. KEKEWICH. [*Continued.*

APPROPRIATION ACCOUNTS—Class IV.

Vote 1.—Public Education, England and Wales —*continued.*

Sir *Richard Temple*—continued.

2560. Supposing the managers have any trouble about it; they have no authority, have they, to carry it out?—They have no authority, I suppose, to enter the houses and take the census, but at the same time they have no great difficulty, I think. The rector of the parish probably knows every one of his parishioners, and he is generally the manager who takes the census.

2561. They do it in a sort of informal manner, I presume?—Yes, in a sort of informal manner.

2562. (To Sir *C. L. Ryan.*) You say this census should be taken on the same principle as the decennial census; what is the principle to which you allude there?—My view is that the census should be taken on the same principle as the ordinary census.

2563. What do you mean by the same principle?—That is to say, I should include all the persons living and residing in the parish at the time the census was taken, without limiting it by excluding certain persons on account of their being lodgers.

2564. You mean you would include all the persons sleeping in certain houses on a certain day?—Yes; that is the principle of the general census.

2565. You think that the managers should do the same?—Yes.

2566. They make a sort of discretionary census?—That is what I call attention to.

Chairman.

2567. While you would include lodgers, would you include such a case as Mr. Kekewich mentioned, namely, a lunatic asylum or a big institution?—If it was distinctly laid down by authority that such institution should be properly excluded, I should be quite prepared to accept that ruling.

2568. You think that some principle should be settled upon which this population is arrived at?—Yes.

2569. (To Mr. *Kekewich.*) In the Stanton School case there has been a large increase in the attendance of children, indicating a probable increase in the population; is not that a case in which special inquiry should have been made?—Yes, I think it should have been.

2570. In the case of the Kennington School it seems that the mistake is admitted; it appears that the chief inspector of the district had recommended a population grant for some years

APPROPRIATION ACCOUNTS—Class IV.

Vote 1.—Public Education, England and Wales —*continued.*

Chairman—continued.

past without sufficient inquiry?—I think that the inspector's recommendation rested upon a different ground from that. The grant (15 *l.*) was paid upon a certificate given by the managers of the school, and endorsed by the inspector who visited the school, that the population of the school district was less than 200, and similar payments had been made for some years previously. When the inspector again visited the school, in April 1889, he discovered that the managers had been in error in assuming that the ecclesiastical district of Kennington was constituted a separate school district under the Elementary Education Act, 1870, and that Kennington formed part of the school district comprising the civil parish of Radley, the population of which exceeds 300. It was in consequence of confusion between the school district and the ecclesiastical district.

2571. (To Mr. *Hamilton.*) With respect to the recovery of these payments, which have apparently been made in good faith, what view does the Treasury take?—The Treasury would take the same view as was taken by the Public Accounts Committee some years ago (I think in 1884), when their opinion was, that when the managers had acted in good faith the money so paid could hardly be recovered.

2572. You do not regard, as I understand, any of those cases as cases in which the managers ought to have stated that the population was too large for them to make a claim for this special grant?—It is rather difficult for me to express an opinion.

2573. (To Sir *C. L. Ryan.*) Have you anything to say upon that explanation?—I think not. I have necessarily brought the cases to notice as being improper payments.

2574. (To Mr. *Kekewich.*) With regard to paragraph 3 of the Comptroller and Auditor General's Report, I suppose that under the New Code the examination schedules become of less importance; in fact, their importance has gone?—Their importance has gone as regards the payment of money.

2575. The exception schedules also disappear, I believe?—The exception schedules will no longer exist.

2576. (To Sir *C. L. Ryan.*) With regard to the statement in paragraph 4 of your Report, will an adjustment be necessary?—No; that is merely a statement of fact; it does not affect the balance.

[Mr. *Kekewich* withdrew.

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APPROPRIATION ACCOUNTS—Class IV.

On VOTE 2.

SCIENCE AND ART DEPARTMENT FOR THE UNITED KINGDOM.

Major General J. F. D. DONNELLY, C.B., called in; and Examined.

Chairman.

2577. (To General *Donnelly.*) IT appears that certain duplicate payments have been made from the Science and Art Vote, and from the funds devoted to intermediate education in Ireland; I see that the Science and Art Department hold that there is a difference between this case and the case of the overlapping payment of the National Education Board, on the ground that the funds for intermediate education are derived from the Irish Church Funds, and may, therefore, be regarded as endowments; will you explain the view of the Department?—The question was considered in 1878, and that was the decision that the then Lord President and the Vice President came to, namely, that the funds received by a school under the Act should be treated in the same way as an endowment is treated in England.

2578. Were there any funds as early as 1878 devoted to intermediate education?—Yes; the question arose with regard to what action should be taken under the Intermediate Education Act passed in the year 1878.

2579. Does that view, that the funds were in the nature of an endowment, arise on an interpretation of the Act itself?—No; I think it was from the consideration of the fact that those funds were allocated on the ground, as it was generally stated at the time, to supply the deficiency that existed in Ireland of lower-class endowed schools such as existed in England. This fund was provided by Parliament out of the Church surplus for that purpose, and it was decided to treat it in that way.

2580. You regard anything that comes from the Intermediate Education Fund as coming from a local fund, as distinguished from the public taxes?—Yes.

2581. You regard it as being a local contribution to meet the imperial contribution?—We have never taken it as meeting the imperial contribution; but, because a student in a school has earned a fee under the Intermediate Education Act, we have not cut off anything from our result fee.

2582. But in a case where the student has earned a fee from the National Board of Education you do cut it off?—Yes, that is so.

2583. What I do not quite see is the ground of the distinction?—It was considered then that it should be treated just the same as if it had been an ancient endowment of a school granted by any private person.

2584. (To Sir *C. L. Ryan.*) Have you anything to say upon the view of the matter which has been expressed?—No; beyond what I have said in the Report. It seemed to me that Parliament, having set aside the funds in both cases, they were both *quasi*-Parliamentary grants, and that what was applicable in the case of the national education was really applicable in the case of intermediate.

Chairman—continued.

2585. (To General *Donnelly.*) Numerous cases seem to have arisen in which success fees have been paid on behalf of the students in art classes, whose attendances have, according to the regulations of the Directory, been insufficient; the Science and Art Department, we are told, allowed attendances supporting a success in one group to be supplemented by attendances in another, in order to make up the minimum necessary to qualify for payment; but it seems that, as regards the future, a statement has been made on behalf of the Department that the rule will be strictly enforced; is that so?—Yes, we are drawing the rule more strictly. It was considered that under the recently changed rules it would be rather hard to treat the schools severely at first on a technical point, when the spirit of the rule was entirely met, the object of the rule being to secure that the students had really been instructed in a school. Before they could claim under any group, it was strictly necessary that they should have received 20 lessons in that group; but if it happened that they had received only 15 lessons in one group, and 40 or 50 or 60 in another group, the payment was allowed on each group.

2586. Was the work in the two groups of the same character in those cases?—Yes; of course it is very difficult to make any very distinct line. Take, for instance, Group B., where you have architectural designs, and Group C., elementary principles of ornament; of course when a student is learning the one he is, to a large extent, learning the other.

2587. Still, would you have allowed attendances in one group to count for another group, where the work was of a very different character?—I do not think any cases of that kind arose; because, if the attendances had been in subjects of a very different character, the students would not have succeeded in passing the examination; the examination is the real test of the knowledge.

2588. Perhaps you would explain to the Committee the case of the promotion of Mr. Macconochie from the post of fossil collector to be assistant curator of the geological survey collections in Edinburgh, without a fresh Civil Service certificate?—It was not at the time known that a fresh Civil Service certificate was necessary. It was a new appointment, and the subject is now under correspondence with the Civil Service Commissioners with a view to arrange what form the certificate shall take.

2589. (To Mr. *Hamilton.*) Can you throw any light upon this matter?—I can confirm

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25 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Major General DONNELLY, C.B. [*Continued.*

APPROPRIATION ACCOUNTS—Class IV.

Vote 2.—Science and Art Department for the United Kingdom—*continued.*

Chairman—continued.

firm what General Donnelly has said, that the matter has been referred to the Civil Service Commissioners, who are in communication with the Science and Art Department with a view to coming to some general decision as to whether certificates are required. (General *Donnelly.*) There was some little delay in consequence of the Director General of the Geological Survey being out of England.

Sir *John Lubbock.*

2590. I presume in any case the examination would be of a special and technical character, having relation to the duties of the particular post?—I presume so.

[Major General *Donnelly* withdrew.

APPROPRIATION ACCOUNTS—Class IV.

On VOTE 3.

BRITISH MUSEUM.

Chairman.

2591. (To Sir *C. L. Ryan.*) With regard to this Vote, you report that no part of the money on account of the building of a wall on the site of the Temple of Diana at Ephesus had been recovered from the Turkish Government; have the Turkish Government made any payment yet?—Yes; the Turkish Government have since paid 15 *l.* 12 *s.*, and the remainder will be a charge on the Vote.

2592. (To Mr. *Hamilton.*) Is the Treasury satisfied upon the point?—Yes; they accept it as a settlement.

On VOTE 10.

PUBLIC EDUCATION, SCOTLAND.

Mr. HENRY CRAIK, C.B., called in; and Examined.

Chairman.

2593. (To Mr. *Craik.*) I SUPPOSE you have been in communication with the Treasury, since you appeared before the Committee last year, on the subject of the allowance to Mr. Todd, which you then wished to bring under the notice of the Committee?—Yes; I have had a letter on the 22nd of March from the Treasury, saying that it will rest with me to make such representations upon the subject as I may wish to the Committee on Public Accounts.

2594. Will you kindly make any representation you wish to bring before us?—The case stood thus: when the Scotch Education Department was formed the Treasury suggested that there might be a slight reduction of the staff. To that we agreed, on the understanding that there should be a special allowance to one of the reduced staff for certain work connected with the endowed schools, and to that duty Mr. Todd was appointed by the Lord President. Subsequently a dispute arose between the English Education Department and ourselves with regard to two officers, as to whether their salaries should be paid from the English or the Scotch Votes. Those two officers never worked in the Scotch Education Department. One was working as an inspector of schools in England, and the other, I presume, in the English Education Department. That dispute went on for some time. Meanwhile I was ordered by the Lord President to pay their salaries. I pointed out the difficulty that would arise in consequence of this payment with regard to the allowance of 100 *l.* for Mr. Todd. He said he thought that was impossible, and, after a written

Chairman—continued.

protest on my part, he ordered the payment to go on. Subsequently, after a change in the office of Lord President, it was decided that those officers belonged to the English Department, and not to my own Department, and I then claimed the repayment of their salaries for that time; but the then Lord President, Earl Spencer, who had succeeded Lord Cranbrook, was unwilling to revise the settlement of his predecessor, and said he thought the matter had better stand as it was. I made the suggestion that the sum should be repaid from the English Vote, so as to put it right, and that the Accountant of the English Education Department thought was the proper course, but the Secretary, Mr. Cumin, did not see his way to adopt it. The fact is, of course, that Mr. Todd performed those duties; and that I was working then with one examiner instead of the diminished staff of two which had been allowed, although for a short time I was obliged by this order to pay three, two of them being actually working for the English Education Department.

2595. As I understand, there is no question that the sum which the Comptroller and Auditor General say should be recovered from Mr. Todd (which is either 40 *l.* or 6 *l.*, according to certain considerations which he sets forth in his letter) was properly paid to Mr. Todd; but the question is, whether it is due from the English Education Department or from your Department?—Certainly. I should point out that during this time there were two vacancies in the English Education Department, and no one received a salary

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25 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. CRAIK, C.B. [*Continued.*

APPROPRIATION ACCOUNTS—Class IV.

Vote 10.—Public Education, Scotland—*continued.*

Chairman—continued.

for which there was not any allowance on the Votes for one Department or the other; but it was only a question as to which of the two Votes it should be paid from. My own view was that these officers were improperly paid from my Vote. But I have already explained the circumstances of the change in the office of the Lord President.

2596. So far you are in agreement with the Comptroller and Auditor General; you say that this is an improper charge to this particular Vote?—Yes; I agree with that view.

2597. (To Sir *C. L. Ryan.*) Have you anything to say upon the point urged by Mr. Craik?—No, I think not; I think it is entirely a question whether the Treasury are prepared to reopen the case and re-submit it to the Committee. If they think proper to do so, and they are convinced that Mr. Craik makes out a good case, I have nothing else to say.

2598. (To Mr. *Hamilton.*) Has this matter been considered by the Treasury?—It has not been considered further since the Department applied to make this representation. (Mr. *Craik.*) I should point out that the suggestion which I mentioned, that the money should be repaid from the English Vote, was made to me by Sir Reginald Welby; he suggested that as the easiest way out of it; but there was, as I say, a difficulty on the part of Mr. Cumin. (Mr. *Hamilton.*) The Treasury would have to hear what the English Education Department had to say on the other side before they could decide between the Departments.

2599. Is not this a matter to be settled between the two Departments by the Treasury?—Yes, I think so.

2600. (To Sir *C. L. Ryan.*) I understand there is no doubt the money was properly paid to Mr. Todd; that is not disputed, but it is improperly charged to this Vote, in your view?—Yes, under the conditions laid down by the Treasury. (Mr. *Craik.*) It appears we were working with three examiners, but, as a matter of fact, we were only working with one.

2601. (To Mr. *Hamilton.*) I think this is a matter upon which the Committee would look for some information from the Treasury before they take action in the matter; perhaps the

APPROPRIATION ACCOUNTS—Class IV.

Vote 10.—Public Education, Scotland—*continued.*

Chairman—continued.

Treasury will form an opinion upon the subject, and communicate it to the Committee, either this year or next?—Certainly.

2602. (To Mr. *Craik.*) I observe from paragraph 5 that certain payments have been going on to schools where the average fee from each scholar exceeded 9 *d.* a week; but I think it was explained to the Committee last year that that was owing to a difference between the Scotch Education Department and the Treasury as to the meaning of the term, "current financial year"?—The difference was between the Scotch Education Department and the Comptroller and Auditor General.

2603. And the Treasury also, was it not?—No, the Treasury agreed. (Mr. *Hamilton.*) Yes; they thought it was a reasonable construction to place upon their own letter.

2604. They did not intend that construction to be put upon the letter originally, as I understand, but they thought it was a reasonable construction?—Yes; they thought it was a fair interpretation, under the circumstances, for the Education Department to put upon it.

2605. (To Mr. *Craik.*) I suppose now these payments have come to an end?—Yes.

2606. In the case of the New Cumnock School, Ayr, a payment has been made exceeding the limit, and I think it is admitted by the Department that this payment is illegal?—We have admitted that the Code, as it stood for several years without any objection being taken, is open to legal objection.

2607. It is not in accordance with the Education Act of 1876?—No; but it has stood now for 14 years without exception being taken, and we think it would be impossible to recover from the school this payment, which was made in good faith, under the terms of the Code sanctioned by Parliament.

2608. Steps have been taken, have they not, to make the Code in conformity with the Act?—We have done so in the new Code.

2609. (To Mr. *Hamilton.*) Under those circumstances I suppose the Treasury will write off this amount as irrecoverable?—That will be so.

[Mr. *Craik* withdrew.

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APPROPRIATION ACCOUNTS.

CLASS V.

FOREIGN AND COLONIAL SERVICES.

On VOTE 1.

DIPLOMATIC SERVICES.

Sir FRANCIS BEILBY ALSTON, K.C.M.G., called in; and Examined.

Chairman.

2610. (To Mr. *Hamilton.*) I AM not sure, with respect to the payment for repairs to the Legation House at the Hague, that the Treasury would regard that as a proper charge to the Sub-Head of the Vote for Diplomatic and Consular Buildings, on account of the First Commissioner of Works not being responsible for the expenditure?—The Treasury came to the conclusion that the proper charge was against the Diplomatic Services Vote, and not against the Diplomatic Consular Buildings Vote, because it was the Foreign Secretary and not the First Commissioner of Works who was responsible.

2611. (To Sir *C. L. Ryan.*) Would you press that it should be charged to the Diplomatic and Consular Buildings Vote under those circumstances?—Of course the position has changed a good deal, because, since this paragraph was written, I have been furnished with vouchers showing the nature of the expenditure. The objection taken was to what seemed to be an advance being taken as a final payment.

2612. I was coming to that further point presently; I was confining myself for the moment to the point as to which Vote it should be charged to?—I should say it was not within the four corners of the Diplomatic Services Vote. Wherever Parliament has provided separately for the payment for services under another Vote, the mere fact that it may be administered by a different officer is not sufficient reason for transferring the item from the Buildings to the Services Vote. Parliament must be supposed to have intended that all expenditure upon Diplomatic Buildings should be covered by the Vote for Diplomatic Buildings, and the Vote for Salaries of Diplomatic Officers is not the proper place in which to put a charge for the repair of buildings.

2613. But it would be improper, would it not, to incur such an expenditure for buildings without the authority of the First Commissioner of Works?—Certainly.

2614. But you think that the expenditure having been once incurred, however improperly, should appear under the Buildings Vote?—That would be my view. I admit that both courses are inexpedient, if not irregular, but as that expenditure has been incurred, the lesser irregularity of the two is to charge it now to the Vote which provides for that particular expenditure.

Chairman—continued.

2615. (To Mr. *Hamilton.*) Would the Treasury differ from that view?—I think they would. They went into it very carefully at the time, and came to the conclusion that this was the right Vote to charge it to. The arrangement was practically anticipating one year part of the charges which would ordinarily fall in years to come on this Diplomatic Vote. Moreover, I think with respect to an expenditure with which the First Commissioner of Works, who accounts for the Buildings Vote, has nothing whatever to do, it is rather difficult to charge to that particular Vote such an expenditure as this, for which he has practically no responsibility. (Sir *C. L. Ryan.*) I only put it that it is the lesser difficulty of the two.

2616. (To Sir *Francis Alston.*) As regards the actual expenditure, would you explain the circumstances of it; it seems to have been in the nature of an advance and to have been secured by issuing the rent allowance to the Minister at the reduced rate of 333 *l.* instead of 400 *l.* per annum, until the amount advanced has been repaid?—The taking of this house on lease was the act a good many years ago of the Minister who, however, had the sanction of the Secretary of State for so doing. He was in receipt of an annual allowance for house rent, and he obtained the sanction of the Secretary of State to his taking the house on lease for 21 years; and when those 21 years expired the then succeeding Minister obtained the Secretary of State's authority to prolong that lease for another 10 years. During that second period of time the Minister was changed, and Sir Horace Rumbold was appointed Minister at the Hague. He found the house in a very dilapidated condition, and it was necessary that a large sum should be expended for repairs. It did not suit Sir Horace Rumbold's convenience to provide the money, and he applied to the Secretary of State for an advance to enable him to put the house into order. With Treasury sanction, Sir Horace Rumbold was authorised to spend up to 520 *l.* upon the house, and the proposition of the Foreign Office was, that it should be treated as an advance, to be repaid from time to time from the excess of the house rent; the advance would have been paid off in about seven and a half years. However, the Treasury decided it should be treated as a final payment, and charged to the Foreign Office Vote.

2617. (To Sir *C. L. Ryan.*) In your opinion,

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25 *June* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Sir F. B. ALSTON, K.C.M.G. [*Continued.*

APPROPRIATION ACCOUNTS—Class V.

Vote 1.—Diplomatic Services—*continued.*

Chairman—continued.

as I understand, this is an irregular way of charging the amount?—Clearly; I think that the Exchequer and Audit Act forbids such an action.

2618. (To Sir *Francis Alston.*) The Comptroller and Auditor General calls attention to the expenditure of about 45 *l.* 17 *s.* 6 *d.* for uniform belts for five cavasses attached to the Embassy at Constantinople; have you anything to say upon that point?—We have been in communication with the Ambassador, who has made an arrangement by which the cost of those belts has been reduced, and it has been settled that they are to last for a longer period of time; I think we have informed the Comptroller and Auditor General of that arrangement.

2619. (To Sir *C. L. Ryan.*) Have you received that information?—I have.

On VOTE 2.

CONSULAR SERVICES.

Chairman.

2620. (To Sir *C. L. Ryan.*) Have you yet received the missing fee returns to which your second paragraph refers?—I have since received them.

2621. (To Sir *Francis Alston.*) The Comptroller and Auditor General calls attention to telegrams, apparently on private affairs, addressed to the vice-consul at Kief, and also to the Metropolitan, on the subject of the marriage of a lady; perhaps you will explain how those came to be charged?—They were held to be official telegrams, and are distinguished from other telegrams which we are well aware the gentleman in question addressed in his private capacity to the consul. The gentleman concerned was telegraphing to the consul himself; he had a private telegraphic communication with the consul. Those were official telegrams sent by the Secretary of State, and we drew the distinction there.

2622. Giving him official instructions?—Giving him official instructions.

2623. (To Sir *C. L. Ryan.*) Does that answer satisfy you?—I think it will explain the difference perhaps. I was under the impression those were the only telegrams that had passed. (Sir *Francis Alston.*) He was in private communication by telegram with the consul.

2624. (To Sir *C. L. Ryan.*) Then there are some charges not sufficiently vouched, referred to in paragraph 5, as to which you have asked for further information?—That information has been since received and is satisfactory.

2625. In paragraph 6 I observe you addressed a letter to the accounting officer on account of the provision for personal remuneration under a Sub-Head for Incidental Expenses, being contrary to the ordinary rule?—I have since received, on

APPROPRIATION ACCOUNTS—Class V.

Vote 2.—Consular Services—*continued.*

Chairman—continued.

the 6th of June, a full explanation from the Foreign Office, and I think under the circumstances there stated that practice need not be disturbed at present.

2626. (To Sir *Francis Alston.*) Is there any chance of recovering any more of the money in the case of the defalcations, of Mr. Ibbetson the late acting consul at Buenos Ayres?—We had a despatch a short time ago from Mr. Bridgett, saying that he saw but small chance of obtaining any money, because the man was without means; but as it appeared that he was able to get out of prison by payment of some money, we thought it right to reply to Mr. Bridgett, instructing him to inquire where that money had come from, and to ascertain whether his friends, who we suppose had come forward to pay the money in that case, would come forward to pay this money also, so that the door is not absolutely closed to all hope of recovering it.

2627. (To Mr. *Hamilton.*) Under those circumstances the Treasury would not write off that amount yet, I presume?—The Treasury will await a further report from the consul before they write it off.

2628. (To Sir *Francis Alston.*) There seems to have been a further irregularity in the Buenos Ayres Consular Accounts set forth in paragraph 8 of the Report; it seems that various steps have been taken by the Foreign Office, including the decision to appoint a salaried vice-consul to Buenos Ayres?—That has been done.

2629. And also a circular has been issued to consular officers, I understand?—It has; and I may mention that Lord Salisbury is at this moment in communication with the Treasury, with a view of devising some further protection for the public in matters of this sort.

2630. Have the particular points suggested by the Comptroller and Auditor General been under consideration, viz., that very careful inquiry should be made into the antecedents of persons recommended by the consuls for appointment as acting consuls, and that perhaps guarantees for fidelity might be required?—As regards the inquiries it had certainly not struck the Foreign Office that Mr. Bridgett had not made any inquiries in the case of Mr. Turner, for it will be observed he reports that he was "a person in whom he had every confidence." I think if a consul states that he has every confidence in a man, that of itself seems to show that he has made inquiries about him. With regard to the guarantees, the case is surrounded with difficulty; but I think that practically we have proposed for Treasury concurrence an arrangement which will meet the case quite as well, if not better, than if we had endeavoured to obtain guarantees which might be illusory.

2631. (To Mr. *Hamilton.*) I suppose any change that is made will be communicated to the Comptroller and Auditor General?—Yes, that will be so.

[Sir *Francis Alston* withdrew.

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APPROPRIATION ACCOUNTS—Class V.

On VOTE 5.

GRANTS IN AID OF EXPENDITURE IN CERTAIN COLONIES.

Chairman.

2632. (To Sir *C. L. Ryan.*) You are able to report in paragraph 4 on the question of the revision of the form of Colonial Estimates that revised instructions for the preparation of Colonial Estimates have been prepared by the Colonial Office, which will, in your opinion, conduce to greater financial regularity and control? — I think the Colonial Office have taken a very great deal of trouble in trying to arrive at a proper form of Estimates, and I hope it will secure uniformity and better financial control.

2633. With regard to the sum of 454 *l.* 0 *s.* 3 *d.*, repayable by the colony of Sierra Leone, has that amount been added to the sum of 8,000 *l.*, the balance of the loan of 1877 still unpaid?—It has.

2634. With regard to the last paragraph but one in the Report, on page 453, have you any further information with respect to the embezzlement of public monies by the chief clerk of customs at Sierra Leone?—No, I have no further information.

2635. (To Mr. *Hamilton.*) Has the matter been referred to the Treasury?—No, it has not been brought before the Treasury. (Sir *C. L. Ryan.*) It probably will when the Colonial Office satisfy themselves as to the amount that should be written off.

APPROPRIATION ACCOUNTS—Class V.

On VOTE 6.

SOUTH AFRICA AND ST. HELENA.

Chairman.

2636. (To Sir *C. L. Ryan.*) There was a balance at the close of 1888 of 3,000 *l.* on the original grant from the Exchequer to Zululand; has that now been repaid?—Yes; that sum was repaid in 1889; the colony is now out of debt, and it will cease to come before Parliament in my Reports in the future.

2637. With respect to Bechuanaland, you report that the annual account has not been received, and that in consequence of the great number of questions still unsettled on the monthly cash accounts you are unable to make any reliable comparison between the estimated and actual revenue and expenditure of the colony?—The position is exactly the same as it was when this Report was written, and I am bound to say I do not think the financial control of Bechuanaland is in a satisfactory condition at present. I have reason to believe that the Colonial Office will bring the matter under the consideration of the Treasury.

CLASS VI.

NON-EFFECTIVE AND CHARITABLE SERVICES.

VOTE 1 postponed.

CLASS VII.

MISCELLANEOUS.

On VOTE 9.

CROFTERS' COLONISATION (ADVANCES IN AID).

Mr. COCHRAN-PATRICK, called in; and Examined.

Chairman.

2638. THE Comptroller and Auditor General mentions that the expenditure on account of advances in aid of a scheme of emigration and colonisation for crofters and cottars is insufficiently vouched, and that the only proofs of payment which have been furnished to him are the receipts of the persons to whom the money has been entrusted for distribution; can you give any explanation on that point?—Yes; I think the explanation is this: A portion of the money was expended in this country, but the larger proportion was expended in Canada. There has been a very regrettable delay in getting those receipts from the colonists in Canada. Perhaps if I may be allowed to read a letter which the Secretary of the Colonisation Board has addressed to me, after my repeated remonstrances as to the delay, it

Chairman—continued.

will put the Committee in possession of the facts. He says, "In accordance with your request I write you this note to explain the causes of the delay in furnishing the vouchers for the expenses incurred in connection with the party of crofters who left Scotland in May and June 1888, and are settled at Killarney in Southern Manitoba. The Canada North-West Land Company who were acting for the Secretary for Scotland in the matter (the Colonisation Board at that time not having been constituted), placed the thirty families upon land belonging to them, having made arrangements with the Government that other land should be given in exchange. Many months elapsed before the transfer was completed, and as a matter of fact, it was not finally arranged when I was in Canada in November last

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APPROPRIATION ACCOUNTS—Class VII.

Vote 9.—Crofters' Colonisation, &c.—*continued.*

Chairman—continued.

last. The exchange was, however, shortly afterwards made. Until the land upon which the crofters were settled became Government land, *i.e.* had been transferred from the Company to the Government, proper mortgages could not be effected. It was necessary also that the vouchers should be retained in Canada for examination, as provided in the Dominion Lands Act, before the mortgages could be legally taken. The statements of account against the crofter families had also to be amended last autumn, to include the additional sums expended

APPROPRIATION ACCOUNTS—Class VII.

Vote 9.—Crofters' Colonisation, &c.—*continued.*

Chairman—continued.

on their maintenance during the winter of 1888–89, and on the seed grain supplied to them in the spring of the latter year. This also added to the delay. The mortgages originally secured had to be transferred to the Colonisation Board subsequently, and it was not until 20th May that I received the documents in proper shape." I may mention that the documents have now been forwarded from Canada, and are in possession of the Colonisation Board, and I expect they will be handed to the Comptroller and Auditor General in the course of the next few days.

[The Witnesses withdrew.

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Wednesday, 2nd July 1890.

MEMBERS PRESENT:

Mr. Barran.
Mr. Sydney Buxton.
Mr. Donald Crawford.
Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1888-89.

Mr. EDWARD W. HAMILTON, C.B., and Sir CHARLES LISTER RYAN, K.C.B., re-called; and further Examined.

CLASS VI.

NON-EFFECTIVE AND CHARITABLE SERVICES.

On VOTE 1.

SUPERANNUATION AND RETIRED ALLOWANCES.

Chairman.

2639. (To Mr. *Hamilton.*) THE Comptroller and Auditor General calls attention to the rate of pension awarded to Sir Francis Sandford in 1884 on his retirement from the office of Secretary to the Education Department; he stated the objections to this award in his Report for 1884–85, but Sir Francis Sandford was again employed in the public service, and the question arises again now; will you explain the circumstances under which the Treasury authorised this large pension?—The pension turns upon the question as to whether retrospective effect could be given to a Treasury Warrant or not. When attention was called to this pension, and that awarded to Lord Lingen, which was on all fours with this pension, the Treasury agreed with the Comptroller and Auditor General that they were not competent to give a retrospective effect to the Warrant. The Committee may remember that Lord Lingen's case was brought before them by the Comptroller and Auditor General some two years ago, and the Committee commented upon the irregularity; but they did not recommend its disallowance. When Lord Lingen's case arose, it might have been open to the Treasury, if they had thought fit to do so, to make a recommendation for a special pension. There is a power to lay before Parliament a Minute giving special pensions, and I presume that cases of such distinguished public servants, as Lord Lingen and Sir Francis Sandford, would have been cases in which

Chairman—continued.

Parliament would have granted special terms, if asked to do so.

2640. But was it not the view of the Committee that an irregularity had been committed, and that a special Minute should have been applied for to Parliament in the case of Lord Lingen, but that, as such Minute would probably have been approved, they did not disallow the special pension on that occasion?—It is not within my recollection that there was any special recommendation that there should have been a Minute giving *ex post facto* sanction to the award. As far as I remember there was no distinct recommendation on the part of the Committee that the irregularity should be remedied by the issue of a Treasury Minute.

2641. (To Sir *C. L. Ryan.*) Would you like to say something upon this point?—I think my duty is practically discharged by bringing before the Committee the fact that there appears in this year's account a pension which is in my view illegal as to its amount in consequence of this retrospective effect which is given to it. At the time the pension of Lord Lingen was dealt with by the Committee, this pension was only before them incidentally, as Sir Francis Sandford was not then drawing it. He is now drawing it, and therefore as it is being paid this year it becomes my duty to bring it again before the Committee.

2642. (To Mr. *Hamilton.*) You will observe that the decision of the Committee was, first that

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APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

it was not competent to give retrospective effect to the Warrant, and secondly that in such special cases the Treasury should proceed by granting a special pension?—Certainly; but the Treasury did not understand that the Committee intended that any retrospective effect should be given to their recommendation. I think that Sir Francis Sandford's case arose prior to, or at the same time as, Lord Lingen's.

2643. Surely the case of Sir Francis Sandford arose again in 1888, when he ceased to be in the public service?—No doubt the question of the payment of the pension arose, but not the amount of it. For a time his pension, or part of the pension, was in suspense.

Mr. *Sydney Buxton.*

2644. Do I understand that the position of the Treasury is that they quite admit for the future that such a thing as this ought not to be allowed, except when a special pension is given, but that they did not understand that that recommendation should be retrospective?—That is the case.

2645. And, as a matter of fact, in this case the Treasury say it would be making it retrospective, inasmuch as the pension was originally given in 1884, although it again came into force in 1888?—Yes, that is how the Treasury view the matter.

Mr. *Arthur O'Connor.*

2646. The Treasury admit that the circumstances under which the pension was given to Lord Lingen may not have been strictly in accordance with the regulations, but they say, at all events, this Committee did not recommend any disallowance?—That is so.

2647. And that Lord Lingen having got through the hedge, it would not be fair that Sir Francis Sandford should be stopped?—Yes.

Chairman.

2648. The mode of giving a special pension is by a Minute laid before Parliament, is it not?—Yes.

2649. Might not that have been done in 1888 as the mistake had been made in 1884?—I suppose it might have been done in 1888.

Mr. *Barran.*

2650. Is it the intention of the Treasury, if a similar case occurs in future, to resist any claim of this kind?—The Treasury, I think, have undertaken that the Act shall be interpreted more strictly in future.

Mr. *Arthur O'Connor.*

2651. Are you aware of any single case of any man in the lower ranks of the Civil Service being allowed any such advantage, in consequence of the *laches* of the Treasury, as has been allowed to the ex-Secretary to the Treasury, Lord Lingen, and to Sir Francis Sandford?—I am afraid I am not in a position to inform the honourable Member on that point, because pension cases

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Vote 1.—Superannuation and Retired Allowances—*continued.*

Mr. *Arthur O'Connor*—continued.

do not pass through my hands in any way; and, therefore, I am ignorant of the cases. But I could not admit that there was any *laches* on the part of the Treasury; they believed they were at the time acting within their discretion, though they subsequently admitted that there was an irregularity.

2652. Then they did it wilfully?—Their action was deliberate.

2653. They deliberately broke the rule in the case of the Secretary to the Treasury?—I can not say they broke any rule in that case. It was an exercise of discretion admitted afterwards to be irregular. It was thought that in the case of Lord Lingen, it was not necessary to come to Parliament, inasmuch as they could award what they considered an adequate pension by giving a certain construction to a Treasury Warrant.

2654. The Treasury were wilfully disregarding the rule?—I cannot admit that they were wilfully disregarding any rules; there was no rule to disregard. I am not acquainted with the detailed circumstances connected with the award. It occurred some years ago, and it did not come before me.

2655. Is there any case where a person in the lower ranks of the Civil Service has been similarly treated?—I am not in a position to say whether or not that is the case.

Chairman.

2656. I should like to remind you of the Report made by the Public Accounts Committee in 1886, and to ask whether the Treasury bear in mind the very strong view taken by the Committee in that year; in paragraph 46 they reported thus: "The Comptroller and Auditor General has called the attention of the Public Accounts Committee to a number of cases in which pensions have been granted by the Treasury not in accordance with law; the Treasury appear to admit the justice of the observations of the Comptroller and Auditor General, but consider that public convenience, or the urgency of some particular case, justify a departure from the strict letter of the law; your Committee do not regard the assumption of this discretionary power by the Treasury as satisfactory; pensions which purport to be legal ones should be strictly within the letter of the law; those which are not granted in pursuance of powers conferred upon the Treasury by statute should be submitted in the Estimates to the judgment of the House of Commons. It is Parliament, and not the Treasury, which ought to decide whether the circumstances of any particular case are such as to require exceptional treatment; and it appears to your Committee that in straining the law for the purpose of meeting the exigencies of a particular case, the Treasury is usurping the functions of the Legislature. The admitted over-payments, amounting to 10 *l.* 8 *s.* 5 *d.*, should be disallowed, and the surplus altered accordingly"?—I am quite aware of that recommendation of the Committee,

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APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman – continued.

mittee, and the Treasury have acted upon it since, as the Committee are aware, by passing an Act of Parliament which, to a great extent, has divested the Treasury of that discretion, and which ties their hands very much more strictly.

Mr. *Wodehouse.*

2657. In what year was that Act passed?—The Act was passed in 1887.

Chairman.

2658. With respect to the case of a pension of 277 *l.* 10 *s.* granted to Mr. Daniel O'Sullivan, late professor in Marlborough-street Training College, the Comptroller and Auditor General reports this pension as not having been made in conformity with the rule laid down by the Treasury; perhaps you would explain that case?—The term "assistant professor" was considered merely to mark the junior position of the officer, and in no respect did it indicate a difference either in position, or qualification, or academic status. Indeed, in order to make it clear that there is no difference between the two offices, the term assistant professor has now been discontinued. The Treasury thought at the time that they were justified in interpreting the term professor as covering the office of assistant professor.

2659. But it would appear that the office of professor was distinctly placed by Treasury Warrant under the Section of the Act of 1859, which allows additional years to be added to the actual years of service, whereas the post of assistant professor was not included in the Treasury Warrant?—It was thought that as the two offices of assistant professor, and professor were exactly on all fours, the term of "professor" might be held to cover the post of assistant professor as well as that of professor.

2660. Did the post of assistant professor exist at the time of the Warrant?—Yes; I believe so.

2661. Was the salary of the assistant professor the same as the salary of the professor?—No; it was a lower salary.

2662. I thought you said just now that the two posts were identical; would not that make a great difference between the two posts?—It would indicate whether the professors were junior or senior. I understand that the academical status of the two is exactly the same, and now they have abolished at the Training College in question the distinction; they call them all professors.

2663. (To Sir *C. L. Ryan.*) Do you wish to say anything upon this case?—No; I think the distinction I have drawn is practically admitted to have been the case, but that a further ground has been put forward, namely, that the two offices were identical, which did not appear to me to be the case from the evidence before me at the time.

2664. If there be reason for giving a larger pension to Mr. Daniel O'Sullivan than he was entitled to under the strict wording of the

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Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman – continued.

Warrant, do you think this is a case in which the Treasury should have proceeded by a special Minute?—I should think it is extremely important for the Treasury, as being the head of the financial department of the State, and the department whose business it is to enforce regularity upon others, never to strain the law, but always, if there is a possible legal course open to them, to adopt that course in preference to an irregular way of dealing with a case.

2665. (To Mr. *Hamilton.*) Would it not appear to you that that should be the course adopted by the Treasury?—Certainly; if that is compatible with doing justice to those cases which come before the Treasury.

2666. Surely it is not necessary to take an illegal course in order to do justice to the case. I have already pointed out, in the questions I have asked, that there is a legal course which the Treasury can take, which has been pointed out by the Public Accounts Committee in 1886, namely, that they can apply to Parliament, and that if a special course is to be taken, it is for Parliament to take that course, and not for the Treasury?—That is so; but I should have thought that this was not a case in which there had been any straining of the law to make it necessary to come to Parliament.

2667. I was asking you as to the general observation which the Comptroller and Auditor General has just made as to the importance of the Treasury's adhering very strictly to the letter of the law?—I quite admit the importance of adhering strictly to the letter of the law; but I hold at the same time that the Treasury is the department entrusted by the State to grant a discretion.

2668. To other departments? – Not to other departments, but to exercise a discretion itself.

2669. To enforce upon other departments, as is the practice of the Treasury, the strict observance of rules, warrants, and Acts of Parliament?—Certainly.

Sir *Richard Temple.*

2670. Is not the Treasury itself bound by the same rules as it enforces upon other departments?—No doubt it is bound by rules and Acts of Parliament as much as other departments; but if there is a discretion which has to be exercised, it is for the Treasury to exercise it.

Chairman.

2671. You say the Treasury should exercise the discretion; do you not mean that the Treasury has statutory power of granting a discretion to other departments; has the Treasury any statutory power of granting a discretion to itself in this matter of pensions?—I should be sorry to see discretion entirely taken away from the Treasury.

2672. I am asking has it such a power?—It is not a power defined by statute; and I should not like to attempt to formulate the extent to which such power exists.

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Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

2673. Surely that is a question for the Treasury to answer; surely you, on the part of the Treasury, know the powers of the Treasury; and therefore I ask you has the Treasury any power to grant itself a discretion in the matter of whether a pension shall be of an amount more than is justified by the Act of Parliament, and by the Warrant?—I think it is difficult for me to answer that question for the Treasury. So much depends upon each individual case coming before the Treasury. I do not think I could commit the Treasury to any hard and fast line as to what their action should be.

Sir *Richard Temple.*

2674. Does the Treasury intend, in reference to these examples now before the Committee, to apply to Parliament in future in similar cases?—The Treasury have said they will do so, and they have, in deference to the Committee, gone to Parliament and divested themselves of almost all the discretion they had in administering this Superannuation Act. It is difficult for them to go further than they have done.

2675. What Act do you refer to?—The Act passed in 1887.

Mr. *Sydney Buxton.*

2676. Most of these cases are subsequent to that?—As regards this particular case, I do not think it was illegal; I think it was a fair construction to put upon the words of the Act. The Act of Parliament placed the term professor in the Schedule attached to the 4th Section of the Superannuation Act; it did not distinguish between senior and junior professors. I think this is a case where it cannot be said that any illegality has been committed; it was a question as to the construction to be placed upon the term "professor."

Mr. *Arthur O'Connor.*

2677. In the construction of a rule or Act of Parliament, is not the rule perfectly understood that the expression of the one is the exclusion of the other?—The question is what the term "professor" meant.

2678. Precisely; and therefore if the post of assistant professor existed at the time that Section 4 was passed, and that section included the rank of professor, it is perfectly clear that the inclusion of the rank of professor was the exclusion of the rank of assistant professor?—I think it is very possible that the Treasury did not recognise any distinction at the time between assistant professor and professor.

2679. When the Treasury exercises discretion with regard to a department outside itself, there is at any rate more than the Treasury to be considered; there is the claiming department on the one hand, and the check of the Treasury on the other hand?—Yes.

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Vote 1.—Superannuation and Retired Allowances—*continued.*

Mr. *Arthur O'Connor*—continued.

2680. But where the Treasury exercises a dispensing power with regard to itself, who has the right to control or judge of that exercise of discretion?—Parliament.

2681. How does it come before Parliament?—In this case the Comptroller and Auditor General brings the case before the Committee of Public Accounts, and the Committee of Public Accounts report it to Parliament.

2682. Then it is for this Committee to pronounce upon what purports to be an exercise of the discretion of the Treasury within the Treasury itself?—It is quite within the province of the Committee to express their judgment upon the discretion exercised by the Treasury.

2683. That is the only means by which the judgment of Parliament can be pronounced?—That is the ordinary means. Of course the action of the Treasury is liable to be criticised directly in Parliament.

Mr. *Wodehouse.*

2684. When the Treasury Warrant was issued, do you think the Treasury intended to include assistant professors?—They only inserted "professors;" they may not have known at the time there were assistant professors as well as professors. I understand that they are called assistant professors first, and they become senior professors, or "professors," after a certain period. If they had been called senior and junior professors, surely the word "professor" in the Act would have covered both grades, junior and senior; but it so happened that they called the junior men "assistant professors," and I do not think the Treasury took into account this distinction between a man who had been acting for some time as a professor, and a man who had been acting for a short time as a professor.

2685. You do not believe that the Treasury had a full and complete list of officers affected by the Warrant at the time?—I cannot say.

Mr. *Arthur O'Connor.*

2686. Have not the Treasury to check the Estimates presented to Parliament by every department?—When the Treasury decided that the post of professor should be included in the professional class, they did not at the time distinguish between senior and assistant professors.

2687. Is not the Treasury fixed with a knowledge of all the grades and all the rates of pay of everybody in the Civil Service?—They are, and ought to be.

2688. Then how can they plead ignorance?—This is not a question of pay; it is a question of description. You might have dozens of professors at different rates of pay, and the word "professor" would have covered every single case of a man holding that office who was pensioned.

2689. But is not the pay of a professor and the pay of an assistant professor, whether junior or

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Mr. *Arthur O'Connor*—continued.

or senior, assented to by the Treasury?—Certainly.

2690. Must not the Treasury, before it assents to that payment, whatever it may be, take into consideration the services and status of the particular office?—Yes.

2691. Then must not the Treasury have been fixed with a complete knowledge, not only with regard to the pay, but with regard to the status of the particular officer before the year 1869?—We are assured that the academical status was exactly the same in the case of the gentlemen who held the office of professor and the gentlemen who held the office of assistant professor.

2692. You tell us that as a matter of positive fact?—So we are assured. I think I have pointed out already to the Committee that the Training College themselves have now discontinued the term "assistant professor," in order to show that there is no distinction, except that it means they have only held that office for a short time.

2693. That of course is *ex post facto*?—Yes.

Chairman.

2694. In paragraph 4 the Comptroller and Auditor General calls attention to a pension of 236 *l.* 5 *s.* granted to Mr. Clifford Lloyd, who had 11 years' actual service, and 10 years seem to have been added under Section 4 of the Act of 1859; the Comptroller and Auditor General states that it appears to him doubtful whether the provisions of the 12th and 17th sections of the Act of 1859 are sufficiently observed to regularise pension in respect of this service, that is part of the service in Egypt; what is the view of the Treasury upon that point?—It has been usual to count as pensionable service such periods of leave of absence as have been granted for considerations of public policy, even though the officer is not in receipt during that time of public funds.

2695. During the time he was in Egypt he was in the pay of the Egyptian Government, was he not?—Yes; he was regarded as being on leave from the public service in this country.

2696. But that period was allowed to count towards his pension?—That is so.

2697. You state that it has been usual to count such service abroad during leave of absence; is there anything in the Act to legalise that practice?—There is nothing that expressly legalises the practice, but I do not know that there is anything in the 12th and 17th Sections to bar such practice. The 17th Section, which is the most in point, says: "No person hereafter to be appointed shall be deemed to have served in the permanent Civil Service of the State unless such person holds his appointment directly from the Crown, or has been admitted into the Civil Service with a certificate from the Civil Service Commissioners." In the case of Mr. Clifford Lloyd, he would have been admitted

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Chairman—continued.

into the Civil Service with a certificate from the Civil Service Commissioners, and would have been holding his appointment directly from the Crown, but he would have been on leave during the time he was serving in Egypt no doubt.

2698. And during that time he was holding an appointment under another government?—Yes; I am merely giving my own opinion. I think the Act is open to that construction.

Mr. *Arthur O'Connor.*

2699. Have there not been cases of civil servants in the War Office or Admiralty who have gone out from this country to India and been in the pay of the Indian Government for a time, and then come back again?—Yes.

2700. How have they been treated?—I think some special arrangement has been generally made if it is for a certain time. If it is (say) for six months or a year, I think the man has been given leave for that time.

2701. He has the benefit in some way or other of that service?—Yes; but if it is beyond a reasonable time, the service would presumably not count.

Chairman.

2702. (To Sir *C. L. Ryan.*) Perhaps you can inform us upon that point?—The usual practice is that if a person is allowed to go on leave for more than a year the Treasury signify that that service will not be reckoned towards pension. It has happened in a case in my own office where I had sent out an officer to the Gold Coast as auditor; in granting the leave of absence the Treasury has always made that condition that the service for that year, or the time that elapsed, shall not reckon towards pension.

Mr. *Arthur O'Connor.*

2703. (To Mr. *Hamilton.*) But in this case it is not a year, so that that rule would not apply?—It is not a year.

Mr. *Sydney Buxton.*

2704. Have there been similiar cases to that of Mr. Clifford Lloyd in which service in Egypt has counted as service under the Crown?—I think there were one or two cases similar to that in Egypt.

Sir *Richard Temple.*

2705. Did not Sir Gerald FitzGerald's service on the Gold Coast count?—He was not a civil servant holding directly from the Crown in this country, I think.

Chairman.

2706. I think that some further justification for this by other cases should be laid before the Committee; perhaps you could give some further evidence that that has been the practice?—I

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Chairman—continued.

know it is the practice, although I cannot quote you instances.

2707. I think a fair statement should be laid before the Committee by the Treasury showing in what cases the time of absence is not allowed to count for pension, such as the cases just mentioned by Sir Charles Ryan, and in what cases it has been allowed to count?—There would be no objection on the part of the Treasury to furnishing that information.

Mr. *Wodehouse.*

2708. (To Sir *C. L. Ryan.*) Do I understand you to say that absence on leave beyond one year was not allowed to count?—He was not allowed to count the whole year, that is, from the commencement of the year in the particular case I gave; but of course there it was still service under the Crown; it was for service in the colonies, not for service under a foreign government.

2709. From your own knowledge you cannot say whether what has happened in this case is in accordance with the previous practice by the Treasury?—I do not say it is not, but I cannot from my own knowledge recall any case that is on all-fours with this.

2710. In your Report you do not express a positive opinion as to the irregularity of this case?—No. It seemed to me one of that kind of cases in which I could not take the responsibility of passing it without bringing it under notice for further inquiry; though, at the same time, it is not so clear a case that I should have felt myself justified in recommending its disallowance.

Mr. *Arthur O'Connor.*

2711. (To Mr. *Hamilton.*) I would suggest that when you are looking into the cases of leave of absence for a year, you should refer to the case of Mr. George Marriott, of the War Office, now on pension, who was away for a twelvemonth?—That shall be included.

2712. I do not mean that you need not quote his case, but that you should consider it as a means of arriving at what the practice is?—Quite so.

Chairman.

2713. I should like an entire statement of the cases on both sides; because, it is evident in some cases the Treasury has not allowed time abroad to count, and in other cases it has apparently?—I think it will be found that the cases are governed by a certain limit of time, as a rule.

Mr. *Sydney Buxton.*

2714. Was not the point rather strained in this case with a view to removing Mr. Clifford Lloyd from Ireland; was not it rather a question of policy?—That is rather beyond my province.

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Mr. *Barran.*

2715. I observe Mr. Clifford Lloyd served 11 years; what are the conditions that govern pensions as to the number of years?—You must serve 10 years before you are qualified for a pension. Then you cannot retire with a pension except under special circumstances.

2716. You must serve 10 years?—Yes; previously to 10 years you are only entitled to a gratuity.

2717. Had Mr. Clifford Lloyd served 10 years prior to going out to Egypt?—No, I think he had served about nine and a half years.

Chairman.

2718. It appears that in the case of Mr. James A. Harrison, who has a pension of 106 *l.* 3 *s.* 4 *d.*, there is no Act of Parliament to justify the grant of that pension; but the correspondence seems to show that the Treasury, in consequence of handing over to the Government a superannuation fund, called the Mint Compassionate Fund, felt themselves equitably bound to give pensions to the persons taken over, including Mr. Harrison?—That is so. The Treasury thought the steps taken in 1858 practically constituted a pledge to the men that their pensions should be calculated upon their whole service.

2719. In that case should not an Act of Parliament have been passed?—The Committee will remember that the year 1858 was the year prior to the Superannuation Act of 1859, and at that time there was no provision in the law requiring that pensionable service should be remunerated out of the Votes.

2720. It seems as if there had been an oversight in the Act of 1859 in not dealing with the Compassionate Fund which had been handed over?—I think it might have been necessary to provide for it, had the Act of 1859 passed prior to steps taken with respect to this Mint Compassionate Fund.

2721. (To Sir *C. L. Ryan.*) In this case also, as I understand, you do not recommend the case for disallowance; you regard the payment as an equitable one, but you suggest that it should have been done in a legal form?—Yes. At all events I felt I could not pass it without bringing it to notice

Mr. *Arthur O'Connor.*

2722. (To Mr. *Hamilton.*) I suppose the position of the Treasury is this: that having taken over the benefit of the fund they took the burden of it too?—Yes; I think that states the position quite fairly.

2723. The interest of Mr. Harrison was already vested before the year 1859, when the Superannuation Act was passed?—Yes.

Chairman.

2724. It appears that in the case of a pension of 30 *l.* 2 *s.* 5*d.* awarded to Joseph Bowyer, late attendant at the Broadmoor Lunatic Asylum, the error which is pointed out of 9 *s.* 2 *d.* a year

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Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

is admitted on behalf of the Treasury?—That is is so, and the sum overpaid has been recovered. The mistake in the calculation arose from the emoluments having been overstated by the Department submitting the pension.

2725. The case of Mr. Charles John Irving, late resident councillor at Penang, was before the Committee last year, and the Committee reported that it was an illegal payment, and that an error had apparently been committed; the Comptroller and Auditor General states that he is not aware whether any steps have been taken since the report to regularise the pension, and not being aware, he has no alternative but to report the sum of 40 *l.* as not properly chargeable against the Vote?—The Treasury did not read the reference to this case in the Report of the Committee of Public Accounts last year, as constituting a recommendation for the disallowance of the pension; and, therefore, it was presumed that they condoned the irregularity which the Treasury admitted at the time. In the absence of any express opinion on the part of the Committee, the Treasury would not take any action owing to the hardship which the disallowance of a pension would inflict.

Mr. *Arthur O'Connor.*

2726. Are we to understand from that that unless this Committee, in explicit terms, reports in favour of a particular disallowance of an ascertained sum, the Treasury will not insist upon the disallowance being made?—The Treasury awaits the judgment of the Committee of Public Accounts.

2727. And without a recommendation in explicit terms by this Committee to disallow it, the Treasury will not enforce any disallowance?—No; the Treasury will construe it to mean that it had been condoned by the Committee of Public Accounts.

2728. That is the rule of interpretation which the Treasury adopts?—I think that would be the rule, and only the natural rule.

2729. That is to say, the Treasury throws upon this Committee completely the responsibility for any disallowance?—As regards disallowances brought to the attention of the Committee, after they have heard the opinion of the Treasury.

Chairman.

2730. In the case of Mr. Hamilton, to meet objections which were raised and which have been more than once before the Committee with respect to payments to resident magistrates, the Treasury awarded Mr. Hamilton a compensation allowance under Section 7 of the Superannuation Act of 1859, on the abolition of his clerkship in the Chief Secretary's Office, dating from the 1st of October 1882, and amounting to 314 *l.* 6 *s.* 4 *d.*, of which 125 *l.* per annum is payable to Mr.

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Chairman—continued.

Hamilton, and the balance remains in abeyance. I am not quite sure that I understand the nature of the arrangement, and what the words "the balance remains in abeyance" mean?—It means this: He would be entitled, had he not been receiving a salary, to a pension of 314 *l.* 6 *s.* 4 *d.*; the difference between 125 *l.* and 314 *l.*, so long as he remained resident magistrate, would not be paid him. The reason that the 125 *l.* was paid him was that it made up the difference between the 675 *l.*, the limit of the salary attaching to the office of resident magistrate, and the 800 *l.* guaranteed to him by the Treasury when the office he originally held was abolished.

2731. What is the arrangement that the Treasury have now made?—He receives his full salary that he can receive as a resident magistrate viz., 675 *l.*. and so much of the superannuation allowance has been awarded to him as will make up the total of his receipts to 800 *l.* The Committee will observe that in the Comptroller and Auditor General's Report he says that the difference between this sum of 675 *l.* and that of 800 *l.* was guaranteed by the Treasury; and that the Treasury promised that if the office should be abolished a post of equal value would be found for him.

2732. But a post of equal value seems to have been found by giving a superannuation allowance while he was in receipt of a salary from the public service?—Yes. The office to which he was appointed was abolished, and that entitled him to a superannuation allowance. Had he been retired from the service he would have received a superannuation allowance, instead of which he received a new appointment, but that new appointment did not bring up his receipts to 800 *l.*, which he had been promised when the previous arrangement had been made; and so, according to custom, he was allowed to draw so much superannuation in addition to salary as made the total up to 800 *l.*

2733. You say that is according to custom?—Yes, that is according to custom. If a man in receipt of pension is re-employed, he only draws part of the pension.

2734. Is there any statutory authority for that custom?—It is under the powers conferred by the old Act of 1834, the 4 & 5 Will. 4, c. 24.

2735. What does that provide?—Section 20 says: "In case any person enjoying any superannuation allowance, in consequence of retiring from office on account of age, infirmity, or any other cause, or enjoying any compensation for past services, upon the abolition or reduction of office, shall be appointed to fill any office in any public department, every such allowance or compensation shall cease to be paid for any period subsequent to such appointment, if the annual amount of the profits of the office to which he shall be appointed shall be equal to those of the office formerly held by him, and in case they shall not be equal to

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Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

those of his former office, then no more of such superannuation allowance or compensation shall be paid to him than what, with the salary of his new appointment, shall be equal to that of his former office."

Mr. *Barran*

2736. Was his former office at a salary of 800 *l.*?—Yes.

2737. He received that amount?—Yes.

Mr. *Arthur O'Connor.*

2738. Is it not the case that this gentleman, being a resident magistrate, was receiving 800 *l.* a year?—Yes; but he was not receiving a salary of 800 *l.* out of the public funds.

2739. He was receiving 800 *l.* a year in some form?—Yes; not wholly as salary.

2740. Did not the Comptroller and Auditor General make an objection to the amount of pay which was given to him, saying that it was inconsistent with the terms of a certain Act of Parliament?—Yes.

2741. Did not the Treasury, then, say to him, "Never mind whether it is legal or illegal; never mind what the Comptroller and Auditor General saye; we will manage for you, and you shall have your money"?—I am not aware that the Treasury used that language.

2742. In effect, I mean: if they did not use language to that effect, practically, in what respect, practically, did the language they did use differ from it?—The honourable Member, perhaps, did not take into account the fact that the Treasury gave an undertaking that this gentleman should not be a loser by his transfer to the post in the office of the Chief Secretary for Ireland.

2743. That is precisely what I am saying; they said, "No matter whether it is technically correct, you shall have the money"?—At the time I am not aware that there was any idea of appointing him to the post of resident magistrate. He was transferred to the office of the Chief Secretary for Ireland, and the post in that office might have been held for the rest of his life, so far as I know.

2744. Clearly it might have been; he, having been a magistrate, was placed in the office of the Chief Secretary for Ireland as a clerk?—Yes; he was first of all a second-class resident magistrate, and he was then transferred to the Chief Secretary's office as a clerk.

2745. Having been a magistrate, he became a clerk in the Chief Secretary's office?—Yes.

2746. What amount of pay did he receive then?—I believe 800 *l.* a year.

2747. Then, when he was re-appointed as resident magistrate, he retains his 800 *l.* a year, although the pay of a resident magistrate is less than that?—Yes; because he was entitled to it.

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Mr. *Arthur O'Connor*—continued.

2748. I am only asking the fact; that was so, was it not?—Yes.

2749. That was because he had been previously guaranteed this 800 *l.* a year?—That was certainly a consideration to be taken into account; it was an undertaking given by the Treasury.

2750. If that had been done by any other department in respect of any subordinate officer in that other department, would the Treasury not have said, "We cannot assent to this, as it is merely a colourable evasion of the provisions of the Act of Parliament and the established rules"?—I am afraid I cannot put words in the mouth of the Treasury.

2751. Then I will ask you do not you recognise yourself that it is only a colourable evasion?—I am not well acquainted with the circumstances of the case, but I do not believe that evasion ever entered the mind of the Treasury.

Mr. *Wodehouse.*

2752. (To Sir *C. L. Ryan.*) This new arrangement was made by the Treasury in deference to your objection, was it not?—No; I do not think I can put it in that way.

2753. Is not that the purport of your paragraph in the Report?—The object of the paragraph was to show a transaction which I thought was one that ought to be shown, and also to show, as I do a little further down, the curious financial transaction by which the Treasury directed that the amount payable in respect of this award for the period, from 1st October 1882 to 31st March 1889, should be applied in repayment of the illegal charge borne by the County Court Officers' Vote during that period. That seemed to me to be a curious transaction, and therefore I notice it in my Report here.

2754. Do you take exception also to the new arrangement?—I do not take exception to the fact that the Treasury have awarded to this officer a portion of his pension, equal to the former salary, because that is under the provisions of the Act of Parliament, and therefore I cannot do so.

2755. That is legal?—It is legal.

Mr. *Barran.*

2756. What is it that you do take objection to in the award?—I have not taken objection; I have stated the circumstances because they seem to me to be peculiar, and such as I ought to bring to the notice of Parliament. Especially I have stated the circumstances with respect to the financial transaction at the foot of this paragraph, which point has not been dealt with. I do not understand why the Treasury have repaid from one Vote to another at all.

2757. (To

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APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Mr. *Sydney Buxton.*

2757. (To Mr. *Hamilton.*) Is it a common thing to give these guarantees from the Treasury that an officer will, if a post is abolished, receive one of equal value?—I should think it was most unusual.

2758. The reason was probably that it was an extra clerkship, and therefore would probably be abolished?—It was to serve some public convenience.

2759. Being an extra clerkship I presume it was thought that it might probably be abolished?—I think that was the case.

2760. I suppose the alternative to employing this gentleman as a resident magistrate at 675 *l.*, giving him 125 *l.* additional, would have been at the time probably to pay him 800 *l.* a year for doing nothing?—We should have no power to do that.

2761. You guaranteed him 800 *l.* a year, did you not?—The Treasury could not have guaranteed him a pension of 800 *l.*; that would have been quite beyond our power.

2762. You guaranteed to find him something of equal value?—Yes, assuming he was doing some work.

2763. You really pay him 675 *l.* for doing something whatever it may be, and 125 *l.* for doing nothing?—No, not 125 *l.*; he might be drawing in respect of doing nothing, 314 *l.*

2764. Pardon me; you have not challenged these words of the Comptroller and Auditor General that the first-class clerkship to which he appointed was not an ordinary clerkship, but was an extra first-class clerkship created *ad hoc*?—I am not aware that it was created *ad hoc.*

2765. The Comptroller and Auditor General states that he "was appointed to an extra first-class clerkship created in the office of the Chief Secretary for Ireland"; he was appointed on its creation, was he not?—It may be so, but I am not aware of it.

2766. I do not understand the words in this paragraph if it is not so?—I should have thought it might have been a possible construction that they had one or two redundant first-class clerkships in the office; and it might have been a redundant clerkship to which he was temporarily appointed.

2767. (To Sir *C. L. Ryan.*) Do I rightly understand by the words that Mr. Hamilton "was appointed to an extra first-class clerkship created in the office of the Chief Secretary for Ireland with a promise from the Treasury that if the office should be abolished a post of equal value would be found for him" to mean that this officer, having the advantage of a guarantee from the Treasury of a certain income, was appointed to a first-class clerkship, which would not otherwise have been filled, in order that he might draw a pension?—I speak without the papers before me, and, therefore, with some hesitation; but I think that that is a fair interpretation of the language, and, unless I was inaccurate at the time that paragraph was written,

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Mr. *Sydney Buxton*—continued.

it would be the meaning. But I will not speak positively, because I have not the papers before me.

Chairman.

2768. (To Mr. *Hamilton.*) I will now come to the last sentence of the paragraph, in which the Comptroller and Auditor General calls attention to the mode in which these transactions have been dealt with in the accounts. He states that a sum of 125 *l.*, the amount payable in 1888-89, has been transferred in this year's accounts, as mentioned at the commencement of this paragraph, and a further sum of 687 *l.* 10 *s.* in respect of the period prior to 1888–89 has been transferred in 1889–90 from the Superannuation Fund to the Credit of Exchequer Extra Receipts of the County Court Officers, Ireland, Vote; perhaps you would explain this mode of dealing with the accounts?—It was an unusual mode of dealing with the sums, no doubt; in fact it was a misunderstanding on the part of the accounting officer.

2769. What would have been the proper mode?—That there should have been no repayment. It was unnecessary to go back and repay the Votes of those prior years; the charges should have stood as they were.

2770. It was opening again the accounts of past years and bringing money into the current year which did not come in course of payment within the year?—Yes; the Treasury thought it ought to be opened up for the year in which this was brought to their notice, but they did not intend that it should be reopened for past years. However, the accounting officer did not understand that, and reopened the case for the whole of the period, and consequently it gives a very unusual appearance to the arrangement.

2771. (To Sir *C. L. Ryan.*) Will the account require correction?—I understand that since I wrote that paragraph it has been re-transferred back again; that is my last information. It will adjust itself in that case.

2772. (To Mr. *Hamilton.*) In the case of Mr. Fitzroy Gardner's compensation allowance I think the error of 10 *s.* 10 *d.* in this year's Vote is admitted on behalf of the Treasury?—That is so.

2773. And also that an over-payment of a capital sum of 92 *l.* 16 *s.* 9 *d.* was made to a pensioner by the National Debt Commissioners?—That followed from the excess of the award.

2774. That will involve, will it not, an overcharge against the Superannuation Vote of 11 *l.* 3 *s.* 7 *d.* per annum for 10 years?—Yes.

2775. And with regard to the cases mentioned in paragraph 10, where there were errors in calculating award, and consequently over-payments charged against the Vote, the Comptroller and Auditor General says that he is informed that the Treasury do not intend to take any steps to recover these amounts; how is that?—They were errors unfortunately.

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APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

In the first case, namely, that of the lecture assistant in the Science and Art Department, there is a period of service included which was not paid from voted monies and therefore was not pensionable. In the case of the labourer in Battersea Park, and the cook in Newcastle Prison, the emoluments were overstated by the Department in submitting the pensions, and under those circumstances the Treasury felt that they could hardly put forward any claim for their recovery.

2776. Are any steps being taken to prevent errors of this kind being made at the Treasury in future?—I am afraid certain errors will from time to time arise. These arose from wrong information furnished by the public departments concerned.

2777. When the pension is commuted, the amount cannot be recovered?—That is the case when the pension is commuted no doubt, and therefore special care must be taken in those cases. I am sure that the calculations of these pensions are done with the greatest possible care; but there is no guarantee against wrong information being furnished to the Treasury.

2778. (To Sir *C. L. Ryan.*) Are you satisfied that the greatest possible care is exercised in granting these pensions?— I think that if my officers found it out the Treasury probably ought to have found it out first. It is not easy to avoid errors of this sort in a large service, but at the same time they ought to be very few.

2779. (To Mr. *Hamilton.*) In the case of other offices there is the check of the Treasury upon them; has the Treasury any system of independent check within itself upon the calculations of these awards of pensions?—They are taken by two officers in the Treasury; the one clerk acts as a counter check upon the other; errors ought not of course to arise, but it is impossible to prevent occasional mistakes of this kind.

2780. What is the comparative position of these two officers?—They are first class and second class clerks in the department in which those pensions are administered.

2781. Who makes the calculation in the first place; is it the second class clerk?—Yes, the second class clerk; and his award is checked by the first class clerk.

Mr. *Arthur O'Connor.*

2782. Are they ever checked by an extra first-class clerk?—We have none in the Treasury.

Chairman.

2783. A new Sub-head F. was opened in this year's Supplementary Estimates providing for "Grants by the First Lord of the Treasury in exceptional cases of accidents to workmen and others in the service of the State while on duty." The Comptroller and Auditor General states it appears that the Treasury have resumed the exercise of discretionary power which existed prior to the passing of the Superannuation Act

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

of 1887, although at the time of the passing of the Act the Treasury gave a pledge to confine themselves strictly within the limits of the Act?—I presume the Committee see that there is a difference between this case and an exercise of discretion. This was a Compassionate Fund which was submitted to Parliament by a Vote. Parliament was advised at the time of the circumstances, and has since approved the arrangement. There are two Minutes regulating the grant of these Compassionate Allowances which I am able to hand in to the Committee if they like, and of which I think copies might have been sent to the Comptroller and Auditor General at the time.

2784. The Comptroller and Auditor General states he was not aware of any rules that may exist for the government of the awards?—There are regulations laid down in the Treasury Minute of the 28th of July 1888, of which I have a copy here. I do not think I will trouble the Committee by reading it if they will allow me to hand it in.

2785. The Comptroller and Auditor General states also in respect of one of these awards which has been charged to this year's Vote, that he applied for further information, but that was not afforded on the grounds that the decision of the amount in each case rests with the First Lord of the Treasury?—The award is entirely left to the discretion of the First Lord of the Treasury, but he has bound himself by these Treasury Minutes. There might, perhaps, be given in each case particulars of the accident which brought the case within the Minute to the Comptroller and Auditor General, if that would meet the Comptroller and Auditor General's point.

Mr. *Arthur O'Connor.*

2786. (To Sir *C. L. Ryan.*) Do I understand that you have had neither these Minutes nor the details of the case with regard to which this 500 *l.* was granted?—No; I am not aware that the Minutes which Mr. Hamilton has referred to have ever been received by our department. (Mr. *Hamilton.*) I am afraid they have not been sent. We should be happy to furnish the Comptroller and Auditor General with copies.

Chairman.

2787. If the Comptroller and Auditor General finds that the grant was not in accordance with the rule laid down, is it disputed that he would be right in applying for information, and that the information ought to be afforded though the decision does rest with the First Lord of the Treasury?—No; I think if when the Comptroller and Auditor General is furnished with a copy of this Minute, he finds that any of the cases awarded are contrary to this Minute, he might raise any point upon it that he chose.

2788. Then the contention of the Treasury is that as a Supplementary Estimate was submitted

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APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

to Parliament dealing with each of these cases, the First Lord of the Treasury has full discretion to give such awards?—Yes, subject to such rules as the First Lord has laid down for himself.

2789. The Comptroller and Auditor General further calls attention to the fact that all these awards have been made to men who have served in either the Admiralty, the Post Office, or one of the Revenue Departments, and that it has hitherto been customary for these departments to provide for their own proper non-effective charges under their own Votes; that the provision for such charges under the Superannuation Vote is therefore a departure from the practice which has hitherto prevailed, and the effect in one case during the year 1889–90 is that a man receives a statutory gratuity out of the Post Office Vote, and an extra statutory gratuity out of this Vote?—There would be no means, I am afraid, of avoiding that. If an officer under the Revenue Departments is considered to be entitled to an award out of this Compassionate Fund, it must, of course, be charged to the Superannuation Vote, whereas the rest of his pension would be charged to the Revenue Departments Vote.

2790. Do you admit it is the case, as the Comptroller and Auditor General states, that hitherto it has been customary for these Departments to provide for their own proper non-effective charges under their own Votes?—Yes, that is the case, certainly.

2791. And that this granting of a Compassionate Allowance to any of these men out of the Superannuation Vote is a new departure?—Yes, it would be a new departure.

2792. Will it appear on the face of the Admiralty, Post Office, or Revenue Departments Votes that the persons who are receiving gratuities there are also receiving gratuities under this Vote?—I think it would be quite proper that there should be a foot-note attached in a case of that kind, in which there should be a cross reference to the Superannuation Vote, saying, "In addition to the pension charged in this Vote, there will also be found an award under Class VI., Vote 1, of the Civil Service Estimates."

2793. (To Sir *C. L. Ryan.*) Would that meet your objection to the duplication of these gratuities?—Yes, I think it would.

2794. Have you anything further to say as regards the new practice of granting these gratuities at the discretion of the First Lord of the Treasury?—It is rather a question for the House than for myself in these matters, because the

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

Compassionate Fund is separately voted, so to speak, and explained to the House. But the point I have brought before the House and the Committee is, rather that I have before me no rules, no regulations, and no details. I assumed that the fact of the sums having been voted and explained was sufficient authority to the Treasury to depart from their practice.

Mr. *Arthur O'Connor.*

2795. (To Mr. *Hamilton.*) I suppose the non-furnishing of the rules may have been a mere matter of oversight?—I think it was an oversight.

2796. But why should not the Comptroller and Auditor General be furnished with the circumstances under which a gratuity of 500 *l.* is given?—I am not aware of any objection to it, and I think the Treasury would be quite willing to furnish such particulars as they are able to give.

2797. The Comptroller and Auditor General says: "Although I applied for further information in the case of the 25 *l.* charged to this year's Vote, it was not afforded on the grounds that the decision of the amount in each case rests with the First Lord of the Treasury"?—I do not know what the information was that the Comptroller and Auditor General required.

2798. Neither does he, because he is kept in the dark about it?—There could be no objection, I think, to furnish particulars of accidents, which, I think, would satisfy the Comptroller and Auditor General. (Sir *C. L. Ryan.*) If the details are furnished, I think that would meet the objection in that respect.

2799. (To Mr. *Hamilton.*) At present the Comptroller and Auditor General has neither the facts nor the rules, but I understand hereafter he will have the facts, and the rules will be furnished by the Treasury?—Yes.

Chairman.

2800. I think it will not be necessary to put in the two Treasury Minutes with regard to this point, if the Comptroller and Auditor General is furnished with copies of them?—He shall be furnished with them.

2801. (To Sir *C. L. Ryan.*) Coming to paragraph 12, I suppose the decision of the Committee with regard to the allowances or disallowances of the amounts referred to in paragraphs 2, 6, and 7, will affect the net surplus?—Yes, it will.

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APPROPRIATION ACCOUNTS.

REVENUE DEPARTMENTS.

Mr. WILLIAM DICK, called in; and Examined.

On VOTE 1.

CUSTOMS.

Chairman.

2802. THE Comptroller and Auditor General calls attention to an expenditure amounting to 23 *l.* 2 *s.*, being payments to certain preferable extra men at Cardiff on account of a period of 10 days during which they had not performed any duty, and he reports that sum as not being properly chargeable against the Vote; have you any explanation to offer?—I think I should give the Committee a short history of these payments in order that they may quite understand how this 23 *l.* 2 *s.* was paid. One of the Surveyors General of Customs went down to Cardiff to inspect the port, and he found that certain arrangements could be made by which in the Water-guard Department (that is for guarding ships from foreign parts), a considerable saving might be effected, and the abolition of the services of several men. The estimated saving that would result from the altered mode of guarding the ships amounted altogether to something close upon 400 *l.* The six men whose services would be abolished were what we call preferable extra men who were employed at the rate of 3 *s.* 6 *d.* a-day, and those men had been in the service upwards of 10 years. It was felt rather hard that their services should be at once dispensed with, and they made an application to the Board of Customs for some consideration under the circumstances. The Board gave an order to our collector at Cardiff that he might pay them a sum of money, not for 10 days, as stated by the Comptroller and Auditor General, but 22 days, which amounted to 23 *l.* 2 *s.* The contention of the Board of Customs was that the collector at Cardiff misinterpreted their order, and paid the men at once. When that payment came to my Department, as Accountant General I took exception to it, and reported to our Board that I did not think we had sufficient authority to pass that sum; it was virtually, I considered, in the nature of a gratuity to those men. Our Board admitted that, and applied to the Treasury for covering authority, saying that the men had been dispensed with at once, and without any notice after such a long period of service as upwards of 10 years. The Treasury declined to sanction the payment, and stated that they would rather leave the matter to the judgment of the Public Accounts Committee, and there the matter rests.

2803. You seem to have taken very much the same view yourself that the Treasury took afterwards, that it was a gratuity to the men, and ought not to have been incurred?—Clearly; it should not have been charged to our Vote without the sanction of the Treasury, or on the employment of those men, with a certificate that they had been employed.

Chairman—continued.

Mr. *Arthur O'Connor.*

2804. Was the order of the Board of Customs, which was misinterpreted, ambiguously worded?—I did not see the order; it was sent direct from the Board of Customs to the port. I never saw the order nor knew anything of the circumstances until the payment came into the accounts we were checking.

2805. Did not the officer who passed the charge cite the order on which he acted?—There was an order sent, but I did not see it. (Mr. *Hamilton.*) I have the order here if the Committee would like to see it.

2806. Unless we know what the order says it is not possible to judge?—This is the Board's order of the 15th of August 1888, on an application from certain discharged extra men at Cardiff. "Applicants to be informed that the Board have no means of affording them direct pecuniary relief. The collector may, however, as to any of the applicants who have been employed for 10 years or upwards on the preferable list, and whose conduct has been uniformly good, consider them to have had a month's notice from the 27th ultimo inclusive, and allow them pay accordingly, in the usual way, to the end of that period."

2807. Would the Treasury understand that as meaning that after 10 years' service, in the case of preferable extra men, there would be a recognised right to a month's pay in lieu of notice?—I think a month's pay, but the mistake made was that they were discharged at once, as I understand, (Mr. *Dick.*) There is no regulation giving preferable men any notice whatever.

2808. What was the amount paid to these men; was not it equivalent to a month's pay?—Not quite a month; it was 22 days.

2809. They even gave less than a month's pay?—It was from the 5th of August to the 26th of August; they were paid 22 days each.

2810. Reading that order which we have just heard, and which the officer had before him to justify his payments, would you not, as Accountant and Comptroller General, say that he had put a reasonable construction upon the order?—No, certainly not. I take it in this way: that the order read by Mr. Hamilton, in which our Board said that the men should be paid "in the usual way," meant that for the payment of those extra preferable men there must be a certificate of employment, otherwise this form of gratuity could only be sanctioned by the Treasury.

2811. What

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2 *July* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. DICK. [*Continued.*

APPROPRIATION ACCOUNTS.

Vote 1.—Customs—*continued.*

Sir *Richard Temple.*

2811. What is the meaning of the term "preferable men"?—It is a man taken on when there is a glut of work at the port, and when the ordinary staff cannot accomplish it. They have preferable men in many ports in the kingdom who get a fixed sum of 3 *s.* 6 *d.* a day when they are employed.

2812. Does the term "preferable" mean temporary? — They are all temporary men and entitled to no superannuation.

2813. How do you get the word "preferable"; why are they so called?—There are preferable men and ordinary men; the ordinary man may come and go day by day on the chance of work; the preferable man is entitled to the first chance if there is duty for him.

Chairman.

2814. (To Mr. *Hamilton.*) Perhaps you will explain, on behalf of the Treasury, the precise ground on which they declined to grant these payments?—On the ground that the men were not employed. The intention was, as has been explained by Mr. Dick, that they should be employed for a month and then dismissed, instead of which they were dismissed at once and paid for a month; therefore there was no employment.

2815. Do you read the order in the same way as Mr. Dick does?—I think so, but it is difficult to say; the order is rather doubtfully worded, I think.

Mr. *Barran.*

2816. Would you not have considered it very much better if it had been stated in the notice that the men should be continued for work for a period of a month, and that then their services should be dispensed with?—There could then have been no mistake about what the meaning of the Board was.

2817. In this case is it not a reasonable construction to put upon it, that the men might be paid a month's wages?—I think it is open to that construction.

Chairman.

2818. (To Mr. *Dick.*) It appears that there was a special compensation to the amount of 45 *l.* paid to Messrs. Dawson and Company for loss arising from "over entry" payments embezzled by a clerk of their firm, and that a new Sub-Head has been opened for that special compensation; would you explain how that arose?—Messrs. Dawson and Company's clerk forged, I believe, a good number of over-entry certificates; that is, for sums that have been overpaid upon goods, amounting to about 100 *l.* or so (I forge

APPROPRIATION ACCOUNTS.

Vote 1.—Customs—*continued.*

Chairman—continued.

exactly what the amount was); and Messrs. Dawson thought that some slight blame was attachable to the Customs. The whole case was submitted to the solicitor of the Customs, and he could not admit that any blame attached to the department. I may say that Messrs. Dawson wanted the Crown to prosecute this clerk for forgery, but the Board of Custms and their solicitor were of opinion they could neither prosecute nor pay. Messrs. Dawson went to the Treasury and had a good deal of correspondence with their Lordships upon the subject, and I think the Treasury agreed that rather than make any further fight about it they would pay 45*l.*, which was done.

2819. (To Mr. *Hamilton.*) Can you give any explanation of the circumstances under which the Treasury came to tha arrangement?—The circumstances of the case were somewhat disputed, and after a careful consideration the Treasury came to the conclusion that they might authorise the ment of half the amount that was lost.

Mr. *Arthur O'Connor.*

2820. Did Messrs. Dawson allege culpable negligence on the part of the Customs' officer?—I do not think that they alleged culpable negligence, but they alleged that they did not receive a notice which they had a right to expect to receive, I believe, through the post, that the duty was going to be returned to them.

2821. If they were entitled to notice and the Customs' officer did not give them the notice, that must involve negligence on the part of the Customs' officer?—I am speaking subject to correction by Mr. Dick as to the fact. (Mr. *Dick.*) That was a matter in dispute. Our officer asserted that the notice had been sent.

Mr. *Donald Crawford.*

2822. Do you know why there was no prosecution?—There was a prosecution which Messrs. Dawson took up themselves; they prosecuted their clerk, and he was imprisoned for a time.

2823. But the department did not feel bound to undertake the responsibility of the prosecution, I understand?—Quite so.

Chairman.

2824. (To Sir *C. L. Ryan.*) I suppose this was a payment quite within the discretion of the Treasury?—I think it was, but it is an unusual one, and, therefore, I call attention to it.

2825. You always call attention to a new Sub-Head?—Yes, to anything connected with a fraud.

[Mr. *Dick* withdrew.

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APPROPRIATION ACCOUNTS.

On VOTE 2.

INLAND REVENUE.

Mr. CHARLES TURNER, called in; and Examined.

Chairman.

2826. WOULD you explain the circumstances under which the irregular payments were made in respect of salaries to clerks in the office of the Control of Stamps and Stores to which the Comptroller and Auditor General calls attention? —The payments were made under a scheme which was sanctioned by the Treasury.

2827. (To Sir *C. L. Ryan.*) I think you communicated with the Civil Service Commissioners, first of all, and transmitted their reply to the Board of Inland Revenue, with request that you might be apprised of the steps which the Inland Revenue proposed to take to regularise the position of the clerks in question, and then the matter was referred by the Commissioners of Inland Revenue to the Treasury, and you had received no notice when you made your Report of the decision of the Treasury; have you received any decision since?—No.

2828. (To Mr. *Hamilton.*) Can you tell us what the Treasury have decided?—The Treasury have taken steps to have this matter regularised. They have been in communication with the Civil Service Commissioners, and have arranged that those clerks promoted from lower division to upper division clerks should be given new certificates, and that the remainder of the clerks should be re-classed as re-transferred to the second division upon the new scale of salaries sanctioned under the Treasury Minute of February last

2829. The question was raised by the Comptroller and Auditor General as long ago as the 27th April of last year, and the letter of the Civil Service Commissioners is dated 2nd May 1889; what has caused this very long delay?—I think the question of the re-organisation of the Civil Service generally may have been the cause of it.

2830. In paragraph 8 the Comptroller and Auditor General notices the circumstances of the repayment in Scotland of income-tax claimed by landlords in the Highlands, and states that he is unable to recognise any discretionary power on the part of the Treasury to override the plain terms of the Act of the 23 Vict. c. 14: can you explain this matter?—I will endeavour to do so As I understand it, income tax in Scotland and Ireland is payable on the actual amount received, and these payments are sometimes made before the rent is received, and, therefore, the payment in respect of income tax may be said to be on account. Of course, if the rent in respect of which the tax is paid is not received, the landlord is entitled in equity to a repayment, but it is hardly a repayment of income tax, because the money paid is rather money paid on account than actual income tax collected, and, therefore, what the Inland Revenue would hold and the Treasury would hold is, that the question of re-

Chairman – continued.

payment of income tax beyond the statutable limit would not apply to this case; it is a repayment of moneys received on account, and not in respect of income tax itself.

2831. Do you mean that if the landlords pay their income tax in advance, they may any number of years afterwards claim a repayment because they have paid too much?—If they can prove it.

2832. Whereas if they paid it after they had received the rents they would be bound by the statutory limit, and could not claim after that term of years, whatever it is?—That, I think, is the case. (Mr. *Turner.*) This sum was received with other amounts, and there was no means of telling at the time whether it was due or not as income tax. It was brought to account as income tax, whereas if we had known at the time that it was a payment in advance it would not have been carried to income tax, but placed to a separate account.

2833. (To Mr. *Hamilton.*) You told us, I think, that it is the practice in Scotland to pay income tax in advance?—It very often happens, I understand. (Mr. *Turner.*) It is the practice to pay the taxes very promptly, but not in advance, I think.

2834. The payments are often made in advance I gather?—It is possible.

2835. When they are received as an advance, is it your custom not to carry them to income tax but to a suspense account?—We had no discretion at the time as to what head it should be carried. It sometimes occurs that money is paid as income tax; and then, sometime afterwards it is found on analysis of the account that the money is not strictly due, and this is one of those cases.

2836. What is the statutory limit of years?—Three years.

2837. How far back were these payments made; over how many years does it extend?—I do not know that I can answer that.

2838. (To Sir *C. L. Ryan.*) Can you tell us? —No.

2839. You hold, however, that there is no such discretionary power with the Treasury?—I think the language of the Act seems clear, and if the discretion has been claimed, that it would have been better that it should be regulated by the Act itself.

Mr. *Donald Crawford.*

2840. (To Mr. *Turner.*) Did the applicants give any reason for delaying more than three years before asking for this money back?—The Act is rather an old one; it was passed many years ago, and before the circumstances of the present

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2 *July* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. TURNER. [*Continued.*

APPROPRIATION ACCOUNTS.

Vote 2.—Inland Revenue—*continued.*

Mr. *Donald Crawford*—continued.

present time arose. It is an Act of the 23rd Victoria.

2841. If a man thinks he has paid too much, surely he finds it out before three years have elapsed; did they give any reason?—I think the Act was limited at the time it was passed to keeping back claims from the public generally, for re-payment on account of exemption from the tax, or abatement from the tax, or life insurance, and that it was not intended to apply to such cases as this.

Mr. *Arthur O'Connor.*

2842. As I understand you, the taxpayers in this particular case did not really pay any tax, but they furnished a fund from which, when the amount of the tax was ascertained, it was deducted and the balance paid back?—No; they actually paid over a certain sum which was construed to be income tax at the time, but was not income tax because it was not due.

2843. Was that money paid on the usual assessment note?—That I cannot state.

APPROPRIATION ACCOUNTS.

Vote 2.—Inland Revenue—*continued.*

Mr. *Barran.*

2844. Would it be likely to be collected otherwise than by the usual assessment note which is delivered by the officer of the Inland Revenue?—This applied to the Crofters in Scotland; the assessment there is probably very peculiar; I cannot answer that question.

2845. Are the assessments made on the landlords or on the tenants?—On the landlords.

2846. You do not know in what form the assessments are made?—I imagine it is the usual form of assessment; it would be the amount due on certain rents. In this case the landlord paid all the tax upon the rents due from all his tenants, but he did not get the rents from his tenants, and therefore in equity he was entitled to a repayment.

2847. It was not then actually a payment in advance but a payment on demand, subject to a deduction if the tenants were defaulters?—Yes; that is the interpretation of it.

[Mr. *Turner* withdrew.

On VOTE 3.

POST OFFICE.

Mr. ALGERNON TURNOR, called in; and Examined.

Chairman.

2848. THE Comptroller and Auditor General in the second paragraph of his Report upon this Vote, calls attention to the fact that, although he has been furnished with full particulars of the items of the amount of 580 *l.* 10 *s.* 5½ *d.* for postal orders lost or stolen, losses by robbery, &c., those details have not been set out in the Appropriation Account, as seems to have been the intention of the Committee on Public Accounts, as expressed in their Report of last year; would you have any objection to those details being published in the Appropriation Account another year?—We have no objection. I believe the original intention was that they should be published if there was no great difficulty about it, but in this case they are so numerous, their being 3,478 cases, averaging 11 *s.* 11½ *d.* a-piece, that it was thought it would encumber the accounts, and, therefore, it has not been done.

2849. (To Sir *C. L. Ryan.*) Under those circumstances, where the cases are very numerous and the expense of printing would be very large, do you think that the Committee may be satisfied if the items are furnished to you?—I think the Committee might be quite satisfied with the items being furnished to me. I would only make this one reservation: wherever the fraud or robbery is the act of an officer of the Department, I think it should appear in the accounts. It is a very different thing when it is some defalcation of someone outside the Department, but I think it is a principle of great importance for

Chairman—continued.

the integrity of our Civil Service that no act of fraud on the part of any Civil Service servant should be in any way concealed, but that it should appear on the face of the account itself.

2850. ((To Mr. *Turnor.*) Would many of the cases you have mentioned fall within the category that the Comptroller and Auditor General has just mentioned?—I think not; a great many of them are losses by accident. I could not, without examining the whole account, give you any detailed information as to how many officers were concerned.

2851. (To Sir *C. L. Ryan.*) I think it is the practice in other departments, in the case of defalcations or fraud by officers of the department, that the facts should be stated in the Appropriation Account?—It is the almost universal rule; and the Treasury require a separate Sub-head to be opened in every case of fraud. It is only to cases of fraud, and not to losses by accident, that I refer.

2852. (To Mr. *Turnor.*) Turning to the actual item 17, Sub-Head A., on page 560 of the Report, under the Sub-Head, I find that there was actually an Estimate of 2,500 *l.*, and a grant of that amount for losses by fraud and so on; as regards this particular class of fraud by officers of the department, do you think that it should be estimated for year by year in practically a separate Sub-Head, or that it should be, as in the case of other departments, met by a Sub-Head opened in the Accounts, but not estimated for

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APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—*continued.*

Chairman—continued.

and not granted by Parliament?—These cases of fraud, of course, are not solely by officers in the department.

2853. I am restricting my inquiry to cases of fraud by officers in the Department?—It might be as well to separate those cases; they are very few; I think we might do that and show them separately.

2854. (To Sir *C. L. Ryan.*) So far as I know there is no other case of a Department which submits an estimate to Parliament of the losses it expects to suffer from the frauds of its own servants?—The Revenue Departments are the only Departments that make any provision for their own officers' frauds.

2855. You would suggest, I believe, that such cases should be met by a special Sub-Head to be opened in the accounts, which would not be submitted to Parliament, and voted by Parliament as estimates?—I think the Department ought not to assume that their own officers would commit fraud.

2856. (To Mr. *Hamilton.*) What view would the Treasury take upon that point?—I think they would agree with the Comptroller and Auditor General, provided that the Post Office found it practicable to draw the distinction. Of course the losses that occur in the Post Office are quite different from those which occur in other Departments; they are losses over which the Department have no control.

2857. But we are now dealing only with frauds committed by officers of the Department?—If the distinction can be drawn, and I presume it can be, I do not see any objection to the Comptroller and Auditor General's suggestion; I should think it was a good one. (Mr. *Turnor.*) Might I suggest that this description, "Losses by Fraud," and so on, does not really contemplate that the officers should commit fraud; it does not specify that we anticipate fraud on the part of the officers of the Department; it is a general item. It occasionally happens that our officers do commit fraud, and then the charge comes under this item. If we were to show it separately in the account, perhaps that would meet the view of the Committee.

2858. Do you mean to say that in the estimate of 2,500 *l.*, you do not include the cases of fraud by officers of the Department?—No; the term fraud implies frauds committed generally against the Post Office; it does not in the least follow that they should be committed by officers of the Department.

2859. There is a similar Sub-Head also mentioned in this paragraph, namely, Sub-Head E. 9, for Losses by Fraud, &c., in Post Office Savings Banks, the details of which have not been set out in the Appropriation Account; would you state whether many of those cases of fraud are also frauds by the officers of the Department?—I should say not; a few, of course, would be.

2860. You agree that in those cases it might be desirable to set forth the particulars in the

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—*continued.*

Chairman—continued.

Appropriation Account?—I think it would be very easy to do it.

2861. That would not encumber the accounts to the extent you were suggesting, if all the circumstances were set out?—No; it might be done by putting a note: "Of this amount so much is to be attributed to fraud by officers of the Department."

2862. (To Sir *C. L. Ryan.*) I see it is stated that the whole of the amount (that is, the payments, including losses by forgery, fraud, embezzlement, &c.) is repaid to the Exchequer, in common with other expenditure upon the Post Office Savings Banks; I do not think I quite understand that paragraph in your report; how is this money repaid to the Exchequer?—The Savings Banks expenses is all repaid to the Exchequer; this only forms part of the general repayment of the expenses.

2863. Then the losses are deducted from the repayment, I suppose?—They would not be deducted from the repayment.

Mr. *Arthur O'Connor.*

2864. (To Mr. *Turnor.*) Have you ever heard any officer in your own Department, or any Treasury official, or any Civil servant before to-day, suggest that your Department contemplates and provides in the Estimates every year for frauds committed by your own officers?—I am not aware that I have.

2865. You understand the words of the Estimate and the Appropriation Account, "Losses by Fraud," to refer to losses incurred or caused by the fraud of outsiders?—I think that is the general interpretation put upon it.

2866. It never entered your head that it meant frauds by officials of the Departments?—Of course the term is wide enough to cover fraud by an official of the Department; but when we frame the Sub-Head we do not expect that there will be fraud by officers of the Department.

2867. Do not you think that the officials of your Department would consider it an unwarranted aspersion upon them that special provision had been made every year to meet frauds expected at their hands?—I should be very sorry to see such a provision made; it would seem to be rather an inducement to them.

Chairman.

2868. (To Sir *C. L. Ryan.*) I think your suggestion was that it should be made perfectly clear that any Sub-Heads opened in the Estimates did not include the frauds of officers of the Department, seeing that every year, or at all events in the present year, it appears that several of these frauds have been committed by the officers of the Department, and yet they are not dealt with by a separate Sub-Head opened in the Account?—That clearly was my intention. I had no idea whatever of casting any aspersion upon the officers of the Revenue Departments; I have no reason to do so. I thought my suggestion

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2 *July* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. TURNOR, C.B. [*Continued.*

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—*continued.*

Chairman—continued.

gestion was all in their interests, as showing, by separating in the accounts, what a very small part of this large sum of 2,500 *l.* which is estimated for really attached to the officers of the departments; it was in the interests of the officers of the department, rather than otherwise. At present all frauds, even if they were large, would be charged to the Sub-Head.

2869. You call attention to the fact that whereas in other departments than the Revenue Departments, where frauds by officers of the departments have occurred, a new Sub-Head is opened to separate that from all the other Sub-Heads of the year, that is not the practice in the Post Office and other Revenue Departments, but that the losses by frauds committed by officers of the department are included under a Sub-Head for which a certain estimate is made?—That is so.

Mr. *Arthur O'Connor.*

2870. (To Mr. *Hamilton.*) I suppose the Revenue Departments are departments which are peculiarly exposed to fraud by outsiders?—I should say so.

2871. Therefore, if it is at all necessary to provide a Sub-Head to meet losses by fraud, it would be in the Revenue Departments Account?—Yes.

2872. Have you any reason to suppose that fraud is absolutely unknown among the officers of the Army and Navy and other departments?—It is not unknown, but it is very rare.

2873. It is not considered necessary, or even desirable, that any provision should be made in the Estimates for those departments for any possible frauds?—No.

2874. Have you any reason to suppose that the integrity of the officials of the Revenue Departments, taken all round, is any more open to question than the integrity of other Civil Service officials?—No, none whatever.

Chairman.

2785. (To Mr. *Turnor.*) The Comptroller and Auditor General mentions a case which is fully explained in the correspondence, in which a money order was fraudulently cashed by an Army Reserve man, and the Postmaster General objects to recovering the money, or rather half the money, from the sub-postmaster; would you state whether the Post Office continues to press that view contrary to the opinion of the Treasury?—It does.

2876. I am aware that it is fully set forth in the correspondence, but perhaps you will explain the matter shortly to the Committee?—The view of the Postmaster General is that this matter is a question of discipline, and that as such it comes distinctly within his own province to take what notice he thinks proper. He is supported in that view by the letter of the Treasury dated 27th June 1883, which was addressed to the Secretary of State for War, with regard to a

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—*continued.*

Chairman—continued.

money-order case of that date. In this letter the Secretary to the Treasury says: "I am to state, for the information of the Marquess of Hartington, that my Lords are not prepared to over rule the decision of the Postmaster General; that it would be inexpedient for him to recognise responsibility where the law imposes none upon him, for the wrong payment of money orders, be they issued on whose account they may. The wrongly paid order of 6 *l.* 17 *s.*, in the case of G. C. Seddon, must therefore remain a charge upon the Army Votes. It is for the Postmaster General to judge whether any of his officers have so far failed in their duty as to require censure or punishment. It is quite as incumbent upon them to perform with vigilance and attention the duties which they are ordered to undertake for another public department, as for the public at large." The Postmaster General quite agrees with that view, but thinks it rather inconsistent for the Treasury to press the other view.

2877. What has been the punishment inflicted upon this sub-postmaster?—The Postmaster General, of course, in considering a case of this sort, has a variety of matters to weigh. This man is a sub-postmaster with a small initial salary, and is paid by commission for what he does. The business of paying army pensions was an entirely new business, taken over by the Post Office some years ago to oblige the War Office, and no risk money is allowed to the postmaster paying the money orders over the counter. It was a very easy mistake to pay the order to a man of the same surname, but with a different Christian name, and the Postmaster General thought that sufficient notice was taken of it when the postmaster was reprimanded and cautioned.

2878. But I understand the argument of the Postmaster General to be that if the man is punished the money is not to be recovered from him; he does not seem to have suffered any actual punishment?—No; he was simply cautioned and reprimanded for not taking more care. The Postmaster General did not think it was a case for punishment.

2879. (To Mr. *Hamilton.*) I see the Treasury, in their letter of the 14th October 1889, state that they are unable to concur in the view of the Postmaster General that the sub-postmaster should not be called upon to refund half of the overpayment; after hearing the explanation of Mr. Turnor, what is your view?—I think I must admit there is a certain inconsistency between the ruling of the Treasury in this case and the ruling of the Treasury some years ago which Mr. Turnor has quoted, and perhaps it is hardly for me to try and explain the inconsistency. But I may say that the main object of the Treasury in taking the action they did was to ensure the matter being brought before the Public Accounts Committee; and that object having been attained I should doubt their pressing

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2 *July* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. TURNOR, C.B. [*Continued.*

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office-- *continued.*

Chairman—continued.

ing the matter any further with the Postmaster General.

2880. (To Sir *C. L. Ryan.*) Your view is, as I understand, that a public officer must not, as a matter of course and without Treasury sanction, escape personal liability, and in this case the Treasury sanction has not been given?—Yes; but I have expressed no view upon the point. In these matters my duty is practically ministerial. The Treasury have signified their desire, by sending in the correspondence, that the matter should come before the Committee, and it has been my duty to bring it before them.

2881. It is the case of a charge upon the

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—*continued.*

Chairman—continued.

public to which Treasury sanction has not been obtained?—Yes; practically that is how it comes before the Committee.

Mr. *Arthur O'Connor.*

2882. But is this a case of a final payment, or is the man still in the pay of the Army; could not the money be recovered?—An effort was made to recover it, but I think it was unsuccessful. (Mr. *Hamilton.*) The man was an Army Reserve man and he has left the Reserve.

2883. His period for reserve service has expired?—Yes.

[Mr. *Algernon Turnor* withdrew.

LOCAL LOANS FUND.

Mr. R. PHILPOT, called in; and Examined.

Chairman.

2884. IN the case of St. Ives Harbour, a new loan of 24,800 *l.* has, I believe, been approved by the Board of Trade, on account of which the Public Works Loan Commissioners advanced 5,000 *l.*?—They have made two loans, 15,800 *l.* and 5,500 *l.*, both of which have been advanced.

2885. One of the terms of the new loan being the discharge of the arrears on an old loan of 1,800 *l.* within a certain time?—That 1,800 *l.* was an old loan that had been in arrear some years.

2886. Has that now been discharged?—Yes, with all interest.

2887. In the opinion of the Treasury the collateral security on which the Public Works Loan Commissioners have advanced this large sum appears to be of a very insufficient nature; would you state the view of the Public Works Loan Board upon that point?--The Public Works Loan Board were of opinion that the security for the whole loan was perfectly sufficient, and the Public Works Loan Commissioners are the judges of the security; but they had to refer the case to the Treasury because the two loans were guaranteed for a term of 10 years by Mr. Bolitho; and where loans are collaterally secured the Public Works Loan Commissioners, with the consent of the Treasury, have power to lend at a lower rate of interest. The application to the Treasury was not with regard to the security, but with regard to the question whether the Commissioners could lend at a lower rate of interest for 10 years, and ultimately that was agreed to. With regard, however, to the security itself, the Commissioners have satisfied themselves that it is quite sufficient; although the old loan had been in arrear, it was not on account of the insufficiency of the security, but from exceptional circumstances. The harbour now having passed into different hands, namely, into the hands of

Chairman—continued.

the Corporation instead of the Harbour Commissioners, they thought they might safely advance the loan. It appeared from the income that there was quite sufficient security for the repayment.

2888. (To Mr. *Hamilton.*) The view of the Treasury which is quoted was expressed in their answer to the query of the Comptroller and Auditor General on the 10th of July last, which appears on page 13; has the Treasury seen any occasion to modify its view?—The question has not been before the Treasury since, I think. They forbear, of course, as far as possible, from interfering with the discretion of the Public Works Loan Commissioners in this matter.

Mr. *Arthur O'Connor.*

2889. Was not this the subject of a clause in an Act of Parliament two or three years ago?—The old loan of 1,800 *l.* which has been recovered was written off as an asset against the Local Loans Fund in 1887, I think.

Chairman.

2890. (To Sir *C. L. Ryan.*) You only desire, as I gather, to call the attention of the Committee to the fact that the Treasury have replied?—Yes, that is all.

2891. (To Mr. *Hamilton.*) With regard to the reclamation of waste lands, mentioned in Sub-Head D., paragraph 20, there is a question whether the land which is the security for the loan if sold would fetch more than 30,000 *l.* and in that case the Comptroller and Auditor General points out that there would be a loss of nearly 154,000 *l.*, less that 30,000, or about 124,000 *l.*?—The Committee will understand that every year we take stock of the loans, so to speak, and write off what we consider to be bad as assets against the Local Loans Fund; and two years ago, when this matter of the reclamation of the Clare

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2 *July* 1890.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and Mr. PHILPOT. [*Continued.*

LOCAL LOANS FUND—*continued.*

Chairman—continued.

Clare slob land came before the Treasury there was about 133,000 *l.* then in arrear ; we thought if we wrote off about 30,000 *l.*, the remainder might be considered at the time a good asset. But it is quite possible that we may have to write off a still further sum.

2892. Does the Irish Board have the same discretion which you have just described as resting with the English Board?—No; they are not an independent body.

2893. Who is responsible for this loan with such a very insufficient security?—The Irish Board of Works, with the original sanction of the Treasury.

2894. The Treasury gives its sanction and is therefore to that extent responsible?—Yes; it takes the responsibility to that extent.

LOCAL LOANS FUND—*continued.*

Chairman—continued.

2895. (To Sir *C. L. Ryan.*) With respect to paragraph 21 of your Report, in which you refer to cases of loans under the Land Act of 1870 where the rate of interest has been reduced to certain consequences of which you call attention, I think you would rather bring that question before the Committee next year?—Yes; I think it is not ripe now for the Committee's consideration.

2896. Meanwhile have you received any reply from the Treasury?—I have received a reply subsequently to the date of my Report; but I think the question is not yet ripe for the Committee's consideration.

[The Witnesses withdrew.

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A P P E N D I X.

APPENDIX, No. 1.

PAPER handed in by Mr. *Stoneham*, in answer to Q. 2466, respecting sale of Steamships by the Trinity House, 25 June 1890.

EXTRACT from Letter, dated 15th March 1890, from Mr. *J. Inglis*, Trinity House, London, to the Assistant Secretary, Harbour Department, Board of Trade.

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As respects the sale of the steam vessels the remark appears to convey that the Elder Brethren sold for one thousand pounds a vessel that was worth three thousand pounds, and that the Board of Trade, if consulted beforehand, would not have concurred in the sale of those vessels at the prices named. The Elder Brethren would, upon that head, remind the Board of Trade, that the "Hercules" was twenty years old, having been built in 1869 for six thousand two hundred and twenty-five pounds, and that after her return from the Basses she attended the building of the New Eddystone throughout. That in 1882 she was transferred to the Bishop Rock, at a valuation of three thousand five hundred pounds (*see* reply to Query, No. 153, on accounts for March quarter, 1886), and went through the exceptionally heavy work of building that and the Round Island Lighthouses. It must, therefore, be admitted, that the statement of her value given in reply to a query on the Estimates of 1888–89, in February 1888, at three thousand pounds, was an over-estimate. At the time of sale she would have required an outlay of two or three thousand pounds to make her fit for retention in this service, and taking into account the depressed condition of shipping at the time, and the fact that the vessel would depreciate in value, and would require some outlay for watching and cleaning while it remained unsold, the Elder Brethren were satisfied that it was better to sell than to hold on. The advertisement only brought an offer of seven hundred and fifty pounds, but they ultimately came to terms for one thousand pounds, not because they were content with the price, but because it appeared impossible at the time to get a better.

1,000 *l.*
3,000 *l.*
20.
6,225 *l.*
3,500 *l.*
3,000 *l.*
2,000 *l.*
3,000 *l.*
750 *l.*
1,000 *l.*

As regards the "Beacon," the vessel was built in 1862, and was, therefore, 26 years old at the time of sale; her very great consumption of coal was one of the reasons for displacing her, and substituting the converted "Argus" for that station, and with this disadvantage, the Elder Brethren did not look for more than a breaking-up price for her. They informed the Board of Trade, by letter of the 8th February 1888, of their intention to sell the vessel, and she was sold in November of the same year.

The Elder Brethren regret to learn by the Comptroller and Auditor General's Report that the Board of Trade appears to him to have been dissatisfied with these proceedings; they cannot but think that if the question had been raised, and the matter had been fully represented to his Department at the time, the imputation conveyed in his present Report would not have been made, and they will rely upon the Board of Trade putting forward this explanation when the matter comes before the Public Accounts Committee.

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APPENDIX, No. 2.

PAPER handed in by Mr. *E. W. Hamilton*, C.B.

STATEMENT giving instances in which Persons in the CIVIL SERVICE of the UNITED KINGDOM have been lent for Service under the Governments of *India*, *Egypt*, or the *Colonies*, upon Leave of Absence without Pay, and have been promised that, in each case, such Period of Absence should count towards their PENSIONS.

NAME.	DEPARTMENT.	CIRCUMSTANCES OF CASE.
Mr. (now Sir C.) Rivers Wilson.	Comptroller of the National Debt Office, 1879.	Leave of absence for two years, while lent to the Khedive of Egypt.
P. Sutton - -	Out-door Officer of Customs, 1879.	Leave of absence for 12 months, in order to take up, on trial, a post in the Customs at Trinidad.
J. Cavers - -	Out-door Officer of Customs, 1881.	- - - ditto - - - ditto.
W. R. Browne -	Out-door Officer of Customs, 1882.	- - - ditto - - ditto.
W. M. King - -	Inspector of Factories, 1882.	Leave for two years, while temporarily employed under the Government of Bombay.
D. Ross - - -	Inspector of Schools, 1882.	Leave for two years, to act as Inspector General of Colleges and Schools at Cape of Good Hope.
T. Crowe - -	Assistant Inspector Inland Revenue Department, 1882.	Leave for 12 months, while lent to the Cape of Good Hope Government.

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APPENDIX, No. 3.

PAPER handed in by the *Chairman*.

Treasury Chambers, 17 July 1890.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, for the information of the Public Accounts Committee, a copy of a Minute of this Board, dated the 14th instant, relating to the case of Mr. Todd, an Examiner in the Scotch Education Department, which formed the subject of discussion before the Public Accounts Committee on the 25th ultimo.

I am, &c.
(signed) *Frank Mowatt.*

The Chairman of the Public Accounts Committee,
House of Commons.

TREASURY MINUTE, dated 15th July 1890.

MY Lords have before them the correspondence which has passed respecting an over-payment made in the year 1885 to Mr. Todd, a Junior Examiner in the Scotch Education Department.

The over-payment arose in consequence of an allowance to him at the rate of 100 *l.* per annum, sanctioned by this Board on condition of the number of Junior Examiners in that Department being reduced to two, having been issued to him for a period during which three such officers were charged on the Vote for Education in Scotland.

The facts of the case, so far as relates to the Scotch Education Department, have this year been brought before the Public Accounts Committee by the Secretary to that Department.

Mr. Craik's evidence shows that the position of this Board is not disputed, viz., that the extra allowance ought not to have been paid while there were three junior examiners employed in the Department; he asserts, however, that as a matter of fact the two examiners other than Mr. Todd were not so employed, and that their salaries were only charged to the vote under protest from himself as accounting officer. Mr. Craik's suggestion is that these salaries should properly have been paid from the English Education Vote.

This view, however, has not been accepted by the English Department, and since the question first arose the former secretary and accounting officer of that Department has died.

In these circumstances the choice lies between allowing both the payment to Mr. Todd and those to the two other examiners to remain charged to the Scotch Vote, and recovering the latter from the English Vote. The latter course would involve a decision upon the points of variance between the two Departments which my Lords are not prepared to give, and which the change of accounting officer has rendered practically unimportant; it would moreover involve transfers between the Vote Accounts of the present year in respect of transactions which took place in 1885; and for these reasons my Lords think, subject to the concurrence of the Public Accounts Committee, that the disallowance of 40 *l.* 6 *s.* 2 *d.* against Mr. Craik in respect of this transaction may be removed.

APPENDIX, No. 4.

PAPER handed in by Major General *J. F. D. Donnelly*, C.B.

I THINK I ought to add to my evidence with regard to payments by the Science and Art Department for instruction in the same subjects as those for which payments are made under the Intermediate Education Act:—

(1.) That it would be very difficult in practice to adjust deductions fairly, or to enforce them when a scale had been laid down, because the syllabuses of the different subjects of Science are very different under the two schemes of examination; and, though it may be quite possible to identify a pupil when he comes up about the same time to the two examinations, it would be scarcely possible if, after leaving the intermediate school for a year or two, he entered a science class under this Department, or *vice versâ*.

This would entail sending all the claims on this Department for payment from schools in Ireland to the Commissioners of Intermediate Education, to be checked by them, and their sending all the claims made on them to us before any payments were made, an operation which must entail great delay, and would cause great irritation.

(2.) Any duplication of payment there may have been can only have been in the case of students of the industrial classes, or under the 200 *l.* a year limit; probably a comparatively small percentage of the number aided under the Intermediate Education Act. The duplication of payment may be looked upon, then, as an extra inducement to take poor students into middle-class schools, and remit or reduce their fees. This ground of policy, which dictated the present rules with regard to endowed schools in Great Britain, under schemes prepared by the Charity Commissioners and sanctioned by Parliament, and therefore quasi-Parliamentary, would appear to obtain with equal force in the case of schools sharing in the endowment provided by the Church Funds in Ireland.

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FIFTH

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

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REPORT

FROM THE

SELECT COMMITTEE

ON

ALDERSHOT ROADS BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
14 *July* 1890.

LONDON
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Aldershot Roads Bill.

Ordered,—[*Tuesday*, 24*th June* 1890]:—That the Aldershot Roads Bill be read a second time, and committed to a Select Committee of Seven Members, Four to be nominated by the House, and Three by the Committee of Selection.

Committee nominated of—

Mr. Edwards-Moss.
Mr. Conybeare.
Mr. Shaw Lefevre.
Mr. Brodrick.

Nominated by the House.
[*Thursday*, 26*th June* 1890.]

Sir William Crossman.
Sir Edward Hamley.
Mr. Stuart Rendel.

Nominated by the Committee of Selection.
[*Friday*, 27*th June* 1890.]

Ordered,—[*Thursday*, 26*th June* 1890]:—That all Petitions presented against the Bill three clear days before the meeting of the Committee be referred to the Select Committee on the Bill, and that such of the Petitioners as pray to be heard by themselves, their Counsel, Agents, or Witnesses, be heard upon their Petitions if they think fit, and Counsel heard in favour of the Bill against the said Petitions if desired.

That the Committee have power to send for Persons, Papers, and Records.

That Three be the Quorum of the Committee.

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REPORT.

THE SELECT COMMITTEE to whom the ALDERSHOT ROADS BILL was referred, have examined the allegations of the Bill, and taken Evidence thereon, which they have agreed to report to the House; and have gone through the Bill, and made Amendments thereunto.

14 *July* 1890.

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PROCEEDINGS OF THE COMMITTEE.

Monday, 30th June 1890.

MEMBERS PRESENT:

Mr. Brodrick.
Mr. Shaw Lefevre.
Sir Edward Hamley.
Sir William Crossman.
Mr. Edwards-Moss.

Mr. BRODRICK was called to the Chair.

[Adjourned till Monday next, at Half-past Eleven o'clock.

Monday, 7th July 1890.

MEMBERS PRESENT:

Mr. BRODRICK in the Chair.

Mr. Shaw Lefevre.
Sir William Crossman.
Mr. Edwards-Moss.
Mr. Stuart Rendel.
Sir Edward Hamley.
Mr. Conybeare.

ALDERSHOT ROADS BILL.

Counsel:—Mr. *Fitzgerald.*

Agents:—Messrs. *Sherwood.*

The following Petitions against the Bill were read.

(1.) Edward Pain and others.

Counsel:—Mr. *Lyttelton.*

Agents:—Messrs. *Dyson.*

(2.) George J. Murray.

Counsel:—

Agents:—Messrs. *Wyatt.*

The Petition of Edward Halsey was not appeared upon.

Mr. *Fitzgerald* was heard in support of the Bill.

Sir *Redvers Buller,* Major *Stainer Waller,* R.E., Major *Charles Waller,* Mr. *Edward Halsey,* Mr. *James Simmons,* and General *Smythe,* were examined.

[Adjourned till Thursday next, at Half-past Eleven o'clock.

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Thursday, 10*th July* 1890.

MEMBERS PRESENT:

Mr. BRODRICK in the Chair.

Mr. Shaw Lefevre.	Mr. Edwards-Moss.
Mr. Stuart Rendel.	Sir Edward Hamley.
Sir William Crossman.	Mr. Conybeare.

ALDERSHOT ROADS BILL.

Mr. *Lyttelton* was heard in support of the Petition of Edward Pain, and others, against the Bill, and called Mr. *Arthur Pain* and Mr. *R. Tucker Pain*, who were examined.

Sir *Richard Wyatt* was heard in support of the Petition of George J. Murray.

Mr. *Fitzgerald* was heard in reply in support of the Bill.

Major *Meecham* was examined by the Committee.

[Adjourned till Monday, at Half-past Eleven o'clock.

Monday, 14*th July* 1890.

MEMBERS PRESENT:

Mr. BRODRICK in the Chair.

Mr. Shaw Lefevre.	Mr. Edwards-Moss.
Sir William Crossman.	Sir Edward Hamley.
Mr. Stuart Rendel.	Mr. Conybeare.

ALDERSHOT ROADS BILL.

Room cleared.—Committee deliberated.

Motion made, and Question put, That the Solicitor to the Society for the Preservation of Commons, Open Spaces and Footpaths, be called to give evidence before this Committee—(Mr. *Shaw Lefevre*).—The Committee divided:

Ayes, 3.	Noes, 2.
Mr. Edwards-Moss.	Sir Edward Hamley.
Mr. Shaw Lefevre.	Sir William Crossman.
Mr. Stuart Rendel.	

Mr. *Percival Birbeck* was examined.

Room cleared.—Committee deliberated.

Preamble read a second time, and *verbally amended.*

Question, That the Preamble, as amended, is proved,—put, and *agreed to.*

Parties called in, and informed of the decision of the Committee.

Clauses considered.

Clause 1, *agreed to.*

Clauses 2—4, amended, and *agreed to.*

Clause 5, *agreed to.*

Clause 6, amended, and *agreed to.*

Clause 7, *agreed to.*

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New Clause.—"The Secretary of State for War shall not sell or alienate, without the sanction of Parliament, any of the open lands shown in the Plan referred to in this Act, but may exchange any such land for other land in the district which may be more convenient for military purposes"—(Mr. *Shaw Lefevre*)—read a first time.—Question, That this Clause be *added* to the Bill.—The Committee divided:

Ayes, 3.	Noes, 3.
Mr. Shaw Lefevre.	Mr. Edwards-Moss.
Mr. Stuart Rendel.	Sir Edward Hamley.
Mr. Conybeare.	Sir William Crossman.

Whereupon the *Chairman* declared himself with the *Noes*.

Ordered, To Report the Bill, as amended, together with the Minutes of Evidence.

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MINUTES OF EVIDENCE.

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LIST OF WITNESSES.

Monday, 7*th July* 1890.

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MINUTES OF EVIDENCE.

Monday, 7th July 1890.

MEMBERS PRESENT:

Mr. Brodrick.
Mr. Conybeare.
Sir William Crossman.
Mr. Edwards-Moss.
Sir Edward Hamley.
Mr. Shaw Lefevre.
Mr. Stuart Rendel.

MR. BRODRICK, IN THE CHAIR.

Mr. *G. A. R. Fitzgerald* appeared as Counsel for the Promoters.

Mr. *Cameron* appeared as Agent on behalf of Messrs. *Sherwood.*

The Petition of Mr. *George Murray* was read.

Counsel for the Petitioner was reserved.

Messrs. *Wyatt & Co.* appeared as Agents.

The Petition of Mr. *Edward Pain* and others was read.

The Hon. *Alfred Lyttelton* appeared as Counsel for the Petitioner.

Messrs. *Dyson & Co.* appeared as Agents.

Mr. *G. A. R. Fitzgerald* was heard on behalf of the Promoters.

Major General Sir REDVERS BULLER, V.C., K.C.B., K.C.M.G., called in; and Examined.

Chairman.

1. YOU are Quartermaster General of the Army?—Yes.

2. You are well acquainted with this land?—Yes, fairly.

3. And you are also acquainted with the difficulties with which the shooting of the Army is carried on in the matter of ranges?—Yes, they are very great at present.

4. Have these difficulties been greatly increased by the range of the new rifle?—Extremely. It may almost be said that a good half of our present ranges cannot be used by the new rifle.

5. And in the neighbourhood of Aldershot you have experienced exceptional difficulties?—We have practically had to close existing ranges at Aldershot.

6. Accidents have occurred at the existing ranges?—Yes.

Chairman—continued.

7. Will you describe to the Committee what ranges it is proposed to create?—The Bill proposes two new sets of ranges, one for Aldershot and the Militia of Aldershot, which would be *here*, firing in that direction and the new ranges of the National Rifle Association would be *there*, firing in that direction.

8. In reference to these ranges, the road marked blue at the bottom of the map, not the new road, but the old road, would interfere entirely with the possibility of using that range?—Yes, that road is carried across a very prominent plateau. The road goes right over the top, so that any ricochet shot from the ranges below, would, with our present rifles, pass across that plateau, and the plateau would really be so dangerous that either we could not use the range, or else we must close the road while shooting.

9. Then the new diverted road goes the other side

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Chairman—continued.

side of that plateau: road No. 3 on that plan?—Yes.

10. And that would be secure from bullets?—It would be secure, owing to the formation of the ground, and also by reason of its being carried a much greater distance from the new targets.

11. Then, going north on the map, the Guards' ranges are rendered dangerous at present by the road marked green, which goes straight across?—Yes, they are.

12. And, similarly, the ranges of the National Rifle Association are even nearer to that road marked green?—Yes, are still more interfered with by it.

13. And it would be practically impossible for the shooting of the National Rifle Association to take place unless that road was closed?—It would not be safe for anybody to go along that road while we are shooting.

14. Speaking generally, you do not anticipate any danger, provided the road is diverted to road No. 2, as shown on the plan?—I do not.

15. Could you tell the Committee what you consider to be the effective range of the new rifle, as compared with the old one?—We have had extreme difficulty in accurately ascertaining, but as far as we are at present advised, we take the extreme range of the Martini-Henry at about 3,000 yards, and the new rifle at about 4,500 yards.

16. So that we must count upon requiring 4,000 yards beyond the target?—On a level ground, I think you would want that, but we believe that somewhat less than that would be sufficient, if you have got a hill behind the butt.

17. In each of these cases you propose to take the new road behind the hill, do you not?—Yes, in each case.

18. And therefore, it is not merely an advantage in distance, but an advantage in the lie of the ground for the protection of the public?—Yes; and there is also this technical advantage; that the length of a ricochet depends a good deal upon the angle at which the bullet strikes the ground, so that if the bullet strikes rising ground, the angle of incidence is less, and therefore the length of ricochet is less, and the danger is less.

19. Do you know of any other way of making any of the other ranges at Aldershot safe at this moment, or do you see great difficulties in continuing the shooting of the division unless this particular range is made?—We really have had to stop shooting altogether.

20. What number of men have you at Aldershot now?—About 10,000.

21. And those belong to the first Army Corps?—The regular troops. The Militia regiments go there to shoot also.

22. You look upon Aldershot as the main training school for the Army?—Yes, it is. It is the one training school we have in Great Britain.

23. And the first magazine rifles were supplied to troops at Aldershot?—Yes.

24. Consequently you attach more importance to the shooting at Aldershot than perhaps any where else?—Yes, considerably more. The eight first regiments for foreign service are always at Aldershot now.

Chairman—continued.

25. Has every effort been made to secure satisfactory ranges at Aldershot?—Yes, I think I may say we have done everything that we could.

26. These ranges suggested themselves because a good deal of the land was already the property of the War Department?—Yes, the land is actually the private property of the War Department.

27. It is not common in the ordinary sense of the word?—No, it is not.

28. And if the roads and tracks were left open the whole could be enclosed from the public, could it not, without legislation?—I believe so.

29. I should like to call your attention to a track near the angle between the bridge and the Main Stone Gate; that is to say, the track which crosses lower than the green road. Can you tell us why that is not closed, but is only suspended by the Bill, while the green road or track is closed?—That is not an open track at all.

Mr. *Shaw Lefevre.*

30. Which road is that?—It is the Main Stone Gate road. It comes in at that angle. It is not a public road at all.

Chairman.

31. It is a very imperfect track?—It is a track across the heath, and as such, like all tracks, is marked on the Ordnance map. We take it that a track being shown on an Ordnance map is not proof that it is a public track.

32. And it will be suspended by the Bill and not closed?—That is so.

33. It is not a track over which you could move a waggon?—It is not a right of way.

34. Generally speaking, in your opinion, if the Bill were not passed as it at present stands both the shooting of the Aldershot division and of the Guards and of the National Rifle Association would be brought to a standstill?—Yes, I think so. I think if we are unable to get range accommodation at Aldershot, and personally I can see no other way of getting it than that proposed by this Bill, either the instruction of the Army will have to cease in rifle shooting, or Aldershot will have to be moved somewhere else.

35. At this moment by the Barracks Bill, which has passed the House of Commons, it is intended considerably to increase the number of troops at Aldershot?—Yes; the idea is, owing to the great difficulty of getting means to train troops, to as far as possible train those first for service at Aldershot.

36. These Government grounds were acquired, were they not, at a large cost?—Yes; they were bought expressly for the purpose, and at a considerable cost, for the purpose of training troops.

37. And the object of this Bill is, with the minimum of interference, to render that training effective?—Yes. I may say really the object of the Bill has been to provide for the convenience of the public, and to allow the training of troops, and personally, I believe that the public benefit quite as much as the troops do by the Bill.

38. Are

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38. Mr. *Lyttelton.*] Are you responsible for the general policy of the Bill, or merely for its military necessity?—I am responsible for the policy of demanding an area free from roads over which rifle practice could be carried on.

39. Are you responsible for, and have you given your mind to the details of the Bill at all?—Yes. I was consulted more or less, rather less than more, by the Parliamentary draftsman, if that is what you mean.

40. Is there anyone else coming to speak as to the general character of the Bill except yourself?—Yes, there will be one or two other witnesses, I imagine.

Chairman.] As to details of distances and so on, we shall call another witness.

41. Mr. *Lyttelton.*] You are very familiar with the ground at any rate?—Yes, I know it.

42. Have negotiations formerly taken place between the War Office and Mr. Pain, with regard to the purchase of a portion of the building estate which lies to the west side of that?—I believe he was approached with a view to know what he would sell it at. No negotiations have taken place that I know of.

43. But approaches with a view to purchase were made?—He was asked at what price he would sell it. May I explain what for?

44. If you please?—His land is a plateau which over-looks the War Office land, and the general officer at Aldershot was of opinion that in any small field manœuvres, or in any sham fight, Mr. Pain's land contained the best artillery position for strategical purposes, and consequently we desired if we could, at a moderate price, to get a piece of land on which we could move up artillery.

45. You have in the past been desirous, if possible, of acquiring some parts of that land?—We should be glad to get it; but not for rifle ranges.

46. For military purposes?—Yes.

47. That map is the Government map, and unlike the Ordnance map does not show the tracks?—No, that map is an Ordnance map.

48. I have examined the map which is marked, "For War Department purposes only." That does not show any of the tracks, the same as that upon the wall?—I see it does not. This was a map that was filled in for our use when we were moving about Aldershot; as a rule showing places where we could go and where we could not.

49. Was this the map that was sent to the highway board?—I could not say.

50. Was it the map that was sent to the county council?—I do not know.

51. Will anybody be here who can tell us that, because I am interested in knowing?—I think so.

52. At any rate, I can take it, therefore a map existed, entitled, "For War Department purposes only" which does not show any of the tracks which it is proposed to acquire, or enclose, or stop?—I was not aware of the point, but I will take it it was so.

53. In point of fact there are numerous tracks extending from Mr. Pain's land *there*, crossing the pink *here*?—On the Ordnance map the ordnance surveyors show every track, whether it is a cattle track, or whatever it is.

54. You know some of these tracks are used for the purpose of carriage?—I do not.

55. Do you not admit that?—The Government have never prevented, except for a few days, possibly, people travelling all over these tracks. They are allowed to go; they are never stopped.

56. That road has existed for many years, and the Government have not interfered with it?—They allow people to drive about.

57. Without protest that road has been used for years?—Not in front of rifle ranges where we have been firing. We have always, as a matter of fact, allowed the most free use of our lands consistent with our own use of them.

58. You cannot point to any Act of Parliament, for instance, which has extinguished the rights of the public over these ways?—No.

Mr. *Fitzgerald.*] Or we should not want one now.

59. Mr. *Lyttelton.*] I am obliged for that general observation with regard to this Main Stone Gate track; you have stated that that is a not public track?—So I apprehend.

60. On what grounds do you state that?—That is our opinion. I am indirectly advised of the War Office rights with respect to their lands, and I understand that is not a public way.

61. Are you aware that the Duke of Cambridge himself asked permission to use that track from the owner of the estate?—Surely the War Office is owner of the estate.

62. I mean, of course, from the owner of the adjoining estate. This track passes on to Mr. Pain's land?—Mr. Pain had made a road for building purposes joining on it; but that does not affect the question.

63. And he has used it?—I do not know.

64. At any rate, so far as you know, that road has existed ever since the year 1856, at any rate?—It is not a road.

65. Have not people used it constantly without protest from the War Office?—As I have said, we have always allowed anybody residing round the War Office property to go about, and so we should in future, as freely as possible.

66. I do not know if you are aware of the consequences of allowing constant use of a road by the public for 20 years?—I do not know that there has been constant use.

67. That road which you stopped up, the blue road, is the main road from Frimley and Farnborough to Guildford?—Yes, it is.

68. Of course that is used both by foot passengers and carriages largely?—Yes.

69. That has been in use for 100 years, I am told?—It is an old road. We propose to give a new one instead of it. It is very steep.

70. Can you tell me the difference it would make as between Frimley to reach Guildford by the substituted road?—No, I cannot. Major Waller is coming here and he will tell you. He has measured it.

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71. This range which you propose at the south-western end is a new range?—We have a range there now, but the range we propose will be a new one.

Mr. *Shaw Lefevre.*

72. Will you point out the exact position of the existing range?—*That* is the existing range. They fire from *there* in *this* direction. Our new range will fire from *here* in that direction. In fact it is to fire over the longest distance of our own ground.

73. Mr. *Lyttelton.*] What distance will it be between Normandy Common, where the starting point will be, up to the point you named?—I think it is rather more than 4,000 yards.

74. Up to where?—Up to where the new road, No. 3, is drawn.

75. What will the total distance of the range be?—The range we shall make will be about 4,000 yards. We want a long space behind the butt. We shall shoot up to 1,300, perhaps 1,600 yards, and then we want about 3,000 yards behind the butts.

76. I suppose there would be room for a 1,300-yard range from that point short of the first blue line?—Yes.

77. Would it not be feasible to protect the road?—I think it would be impossible.

78. Why is that?—The road is on a very exposed plateau, and it would be within easy range of any point we could fire from, and it is impossible to know what a ricochet bullet will do.

79. To an amateur it strikes one that a ricochet bullet would rather more imperil the road No. 3 than the road nearer?—It is out of range. We consider the road No. 3 will be out of range, and that is why it is placed there.

80. I suppose you would not say that by a considerable expenditure the existing road could not be protected; surely the road might be lowered and an embankment put up?—I think it would be impossible unless you put it under a tunnel.

81. When did you decide upon that road No 3?—The whole question came up on the issue of the new rifle last year; we found we could not use our new rifle at our existing range at Cæsar's Camp.

82. Was it resolved upon early last year or in the middle of last year?—I think it must have been very early last year or even before that when it was first considered; I can only give you an idea when it was resolved upon.

83. Can you tell us why this proposal was not in the notice?—No, I cannot. I think if I may say so, that in the notice it was intended to have two Bills, and then it was conceived better to have one Bill, and this original notice was connected with the National Rifle Association, and this other one was added. I believe so, but I am not sure.

84. Let me see whether I correctly understand you. I think I understand the Bill as it is drawn. I understand that by the second section if the Secretary of State constructs that road No. 2, then all the tracks which are marked green are extinguished, and all the tracks in fact between the blue and the green are extinguished?—Suspended.

Mr. *Shaw Lefevre.*] And also power to stop them.

Mr. *Lyttelton.*] I am coming to that later on.

The *Witness.*] We only want to prevent people going at the time we are shooting.

Mr. *Lyttelton.*] "All rights of way over the tracks coloured green may be extinguished," Now that is the first proposal as I understand.

Mr. *Fitzgerald.*] Yes, that is so.

85. Mr. *Lyttelton.*] Now take the Bill before you and look at Section 3. There is the same provision with regard to the tracks coloured blue?—Yes.

86. You desire to stop up not only those tracks coloured green and coloured blue, but other tracks not shown on that map by colour?—We propose to suspend the use of the other tracks.

87. I will deal with that in a moment. Now first as regards 2 and 3, this green and blue, you propose to do that without paying anything at all for it?—We have a heavy expenditure to make new roads.

88. You propose to make that alteration without paying a shilling for it to anybody affected by it; that is done most deliberately?—We do not think it does any harm.

89. Take the estate there adjoining the pink, and do you say that it is no depreciation to a building estate to have its access stopped up the whole of that distance?—The access is not stopped up to any particular place they are likely to go to.

90. I only want your view?—That is my view.

91. Your view is that a building estate with a frontage of more than a mile is not damaged in the least by the whole of the access being stopped up, which at present they have, perfectly freely over the common?—They have not access; that is private property.

92. You have mentioned that the public have used these tracks, and of course the owners of the building property who are part of the general public, have used those tracks for years and years, and we shall prove that abundantly. Now do you say that the extinguishment of those rights is not a subject of damage to that estate at all?—You say yourself the Duke of Cambridge asked Mr. Pain leave to go on the track, the other side of the boundary. We assume, therefore, that Mr. Pain would naturally ask leave from us to go on our side of the boundary.

93. We will deal with that later on, but anyway your view is that there is no damage at all to that property by having a mile and a-half of access stopped up?—My view is, that the damage done (if any) by the stopping up of that property is in no way equal to the enhanced value that has been caused by the creation of Aldershot and Bisley.

94. It is rather a military view, is it not, that continuous rifle shooting, bugle playing, camp followers, and the like, are a great advantage to a building estate?—I know the value of some of those

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those lands about Aldershot; what they used to be, and what they are now.

95. You take power by the fifth section to suspend all existing rights of way. You see the draughtsman of the Bill recognises them, though you do not. Now, in consideration of that do you give anything; do you pay 1 *s.*; do you provide any land, or do you do anything?—Yes, we do; we give immensely improved access to one useful station for the whole district.

96. Which is that?—Brookwood; we offered to give a road.

97. You do not say that that is any improved access to that estate?—Yes, certainly; they have got no means of getting there now. They would have to go a long way round. We offer this new road.

98. I am told by a gentleman who uses it constantly that there is a direct access by carriage way across the pink area?—I do not know it. Where that is drawn is right across a rifle range that we constantly use.

99. Now the third provision takes away two classes of rights without paying 1 *s.* for them. Then in Section 6 it appears that you contemplate taking away something else; that is to say, "if the Secretary thinks it important to stop up or divert for military purposes any other right of way he may notify his intention," and so on, "and may do so"?—Yes.

100. I see you are good enough to give a reference to the Board of Agriculture?—Yes.

101. Why is a right to stop up lands in the future deemed to be subject-matter of compensation, when stopping up existing rights is not deemed such subject-matter?—Because, practically, our propositions now, we consider, do very little injury to existing rights. They are most hypothetical, or in the future; but if those new roads were made, and the old roads were stopped up, and neighbouring landowners in the vicinity were to lay out roads and commence building operations, if we were again to divert, it would be an injury. That was our idea.

102. So that something in the future, which may be done, is to be compensated for, while something that is doing damage now is not to be?—The damage is doubtful at present.

103. Were you connected with this matter in the year 1882?—No, I was not.

104. You cannot tell me any negotiations which took place then, with regard to subsisting rights of Messrs. Pain?—I am aware that there was a Bill of this nature proposed in 1882, but I do not know the particulars.

105. Are you aware that the then representatives of the War Office offered substituted roads in place of these?—We are now offering substituted roads.

106. Sir *R. Wyatt.*] You know the Mitchet property?—Yes.

107. I believe it is contemplated, in the event of No. 3 being made, to close the present communication between that point and Guildford, and several other places?—Yes, to close that blue road.

108. The inhabitants of Frimley and Farnborough pass over that road over which the wand is being placed past Mitchet; that is the present route to Guildford and those other places?—Yes, that is so.

109. Now if the district represented by the blue lines are closed, what difference in point of distance would that make to traffic passing over that line past Mitchet?—I said just now I would rather you asked Major Waller, who is going to give evidence, because he has measured the distances.

110. I understand someone has been down the district for the purpose of considering a suggestion of the highway board, namely, that a straight line should be crossed from that bridge, I believe it is called Mitchet Bridge, to the point of junction of the blue line with the existing line?—I made a suggestion myself which I think is better still for the district, and would avoid the very steep gradient; I will show it. Starting from here and making a road from this point. Perhaps you are aware this is a plateau several hundred feet high, and you have a height of nearly 700 feet here, whereas if you go round here you would get a much better gradient and avoid the plateau.

111. Did you make an actual survey and take the levels of that?—They are on the map. A rough survey has been made of that line.

112. Was it in the form required by the Standing Orders, showing precisely the nature of the surface of the ground?—That was only a suggestion, in case it suited Mr. Murray better, of what we would do for him.

113. I understand you to say, so far as Mr. Murray is concerned (of course I only represent Mr. Murray, and indirectly the traffic from Frimley and Farnborough), you are prepared to construct the road indicated across there?—So far as he is concerned we should be glad to meet his wishes. That road, you see, is over Mr. Murray's land.

114. I think you are in error in supposing the whole of the land through which you pass the wand represents Mr. Murray's. Now, what I understood the highway board were desirous of seeing made was a road from what is called Mitchet Bridge; a straight road across the junction there?—Yes.

115. That would be much less expensive, and a shorter road than the one you indicated?—It would be very little difference in the point of expense. I had that looked into, and I think in distance it would be rather the longer one.

116. Do you mean yours would be?—No, the one you were pointing out, because, you see, we have still got to make the blue road beyond. We should save a bit there you see, that we have to make in any case.

117. May I venture to ask you if you have ascertained whether the property through which you suggest the road should be made is Crown property, or whose it is?—No, I have not. I only suggest that if it would meet the convenience of the district it could be done. I know, of course, we should have to pay for the land we took, but there are no compulsory powers in the Bill. It could only be done by agreement.

118. I understood

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118. I understood that someone had gone over the land of Mr. Murray's after the suggestion of the highway board that two sides of the triangle should be formed into what I call the base?—Major Waller, who will be before you, will tell you the levels.

119. As far as the Department is concerned, for whom you speak, they would not be unwilling to make the road indicated by yourself just now?—They would not.

120. And in that case to close the old road between the bridge and the point of junction of the new road?—That point I could not speak as to off-hand; that has never been mentioned.

121. Major Waller will be able to give more details?—Yes.

Sir *Edward Hamley.*

122. It was an indulgence on the part of the Government to allow the public to pass through its property originally?—Yes.

123. We have heard it argued that that indulgence establishes a right; now such a right might be very inconvenient to the Government, might it not?—Yes.

124. Then if the Government, in consequence, were to deny such a right to the public in future, that would be a great inconvenience to the public?—It would.

125. And the public, I presume, will not feel very much obliged to its advocates if that is the result?—I think that is likely.

Mr. *Rendel.*

126. Has the right of way which has been given by the War Office been at any time suspended for any purpose?—I think so. We have very often on field days, and others, drawn a cordon of troops round and stopped people, practically, every year in a great many places, and I should imagine it would be difficult to prove that we had not suspended it; but, practically, the policy of the War Office has been to allow as free a user as is consistent with military use as we could. We do not want to interfere with the public at all.

127. Have you considered whether there is an alternative for the removal of the existing roads, either in the way of protection of the roads, or of any alteration of the character of the butts, or anything of that kind?—Yes; I did look into it as closely as I could, and I came to the conclusion, as I said before, that the only protection that would be an efficient protection, whereby we could ensure safety of life to those who were using the road, would be to build a tunnel under it.

128. And with regard to the butt, you think there is no alternative possible there?—I think not. We have tried in different places very high butts; but bullets do travel beyond butts in a most extraordinary way. It seems really impossible to tell the direction a bullet will take upon hitting some particular obstruction.

129. Do you distinguish at all between the character of the effect of the new bullet of the reduced diameter at extreme ultimate ranges, as compared with that of the older bullet at its ultimate ranges; do you think that the one is

Mr. *Rendel*—continued.

more or less dangerous than the other?—I think, owing to the latent velocity in the new bullet, with such a very small diameter, at its ultimate range it would be more effective.

130. Then you regard it not only as having a greater range, but as being more dangerous at extreme ranges?—Distinctly so.

Chairman.

131. A bullet went through a man's leg at a distance of over two miles the other day, did it not?—Yes, I believe so.

Mr. *Rendel.*

132. You are now seeking to have a clear ground of something like 4,000 yards behind the butts?—That is what we want to get. You see, with a pressure of men to get through, and these long distances, if you have people passing along a road, even the passing of the order to cease fire and so on takes a long time, and thus the time during which you can shoot during the day is very much curtailed.

133. Another object of this Bill is to provide you with three efficient modern ranges in place of the two existing at present?—No; we have three now, and under this Bill there will be only three ranges. But we lost one range, our range at Cæsar's Camp at Aldershot, which is not shown on this map. That we have had practically to close except for very short distances.

134. Is that one of the three that you have got at present?—That is one we have at present. We have a range at Aldershot called Cæsar's Camp. We have the ranges shown in this plan, and the Guards' range at Pirbright, and instead of that we are going to have ranges here, which will fire in another direction; the present range at Pirbright and the new range of the volunteers at Bisley, which is also Pirbright.

135. But on altogether a new site?—Yes; very nearly on the same ground that we are firing across, only firing in rather a different direction; firing, in fact, northwards.

Mr. *Shaw Lefevre.*

136. Which is the range you have had to shut up?—It is not on this map; it is under Cæsar's Camp.

137. Then you have two existing ranges on this map?—Two. One is there, where the point of the stick rests now, firing south-east, and the other is just near that white space in the middle, above road No. 3, firing north.

138. The new range you propose to fire northward from the lower part?—Yes; from the lower part to fire north-east.

139. Is it where that word "north" is?—Yes; it will begin there.

140. What is the distance from that point to the existing blue road?—Approximately I should say it must be a mile and a quarter, looking at the map.

141. You think that that would be insufficient?—The ground rises up. That road is on a plateau. The ground rises steadily up to that.

142. It will be the same distance, would it not, to the corner part of the blue dotted line?—No;

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Mr. *Shaw Lefevre*—continued.

No; because they will run parallel to our line of fire, and we shall fire to the eastward of that.

143. But it will all depend upon the marksman firing in a direct line; if he turns a little to the left it would be along that road, would it not?—We have never had an accident of that sort. We allow a certain breadth at present, 80 yards. We consider the range is safe with a width of 80 yards. Our bullets do not travel outside, and probably with this new rifle 100 yards would be sufficient; sufficient width for one target, that is.

144. You reckon the error is not greater than that?—No, not greater.

145. You have found that from actual experience?—Yes; I think I may say that we have proved that.

146. Which direction will it be from, Normandy?—Towards Crown Prince-wood.

147. You stated you take power to suspend certain tracks; by that I presume you mean to prevent persons using the roads during the firing?—Yes; there are these tracks, with regard to which we do not want to raise the question of rights, and we have no desire to prevent people at times, when it would not be dangerous to themselves, from using them; but we want that when we put up a red flag, and put out vedettes to keep people back, that they should not be able to force their way into the line of fire.

148. Have you any powers of that kind already?—Yes; under the Rifle Ranges Act we have power to make bye-laws, and we have made bye-laws.

149. You have power to stop up any footpath or right of way temporarily in that manner?—I am not so certain that we have actually the right. The only case that I can call to mind was when the late Colonel Tomline used to make people walk across our range near Felixstowe, and he was stopped by bye-laws.

150. Have you any bye-laws for Aldershot?—No, we have not.

151. Suppose this existing right is of importance to the public as being a direct and short way between two important places, would it not be possible to take power to suspend traffic over that road while you are firing in the same manner you propose with regard to other tracks?—I think not, because I think that really we should suspend the fire so long that it would be a great loss.

152. I am presuming that you make road No. 3, but that you leave the existing blue road, with power to the authorities to suspend traffic on it during the time of firing. Why should you not adopt that method which you propose with regard to other tracks which may exist?—It would be almost impossible for us to do so. If you look at the length of that road you will see how long it would take a slow-travelling wagon to go along it, and the great distance you would have to send up to keep it clear.

153. But I presume you would stop them at the entrance to it?—But they might have passed.

154. You would not begin your firing until they passed. After stopping the traffic at a certain point you would give a certain time for any traffic which might be on the road to get clear of it?—Our firing at present is carried on under the most extraordinary difficulties.

Mr. *Shaw Lefevre*—continued.

155. I am merely pointing out that you are proposing this very method with regard to other tracks in the future?—Yes; with regard to tracks that are hardly used and which will be practically not used.

156. Then this road is used a great deal?—Instead of that road we give another road. The difference to the public who use it is very small.

157. That is a question of fact, but while I assume that blue road is important to the public, would it not be possible to allow them to continue their user over it at such times as the firing does not take place?—Of course it would be possible to allow them, but the inconvenience of allowing them would nullify the advantage that we get by this Bill.

158. That is a question rather for them than for you?—No, it is for us. With us it is a question of time. We have the greatest difficulty now in getting through our firing; and it is the number of hours during which you can actually fire at the target which is the important question and not the actual number of hours you may be down at a range waiting to begin.

159. What is the distance across by that blue road?—A mile and three-quarters. I think that is a 6-inch map.

Mr. *Conybeare.*

160. What time in the morning do you begin firing?—We begin about seven, half-past six sometimes.

161. Do you go on firing till nightfall?—Yes, we go on really till dark.

162. The only time during which, in your opinion, it would be safe to allow traffic along the road would be before seven o'clock in the morning and after dark?—Yes.

163. There could be no objection to traffic going under those circumstances?—Then there is the question of upkeep. You see, you make a new road, and it is a large extent of road to keep up; it means keeping up two roads where one would do.

164. On whose shoulders would that expense fall?—It would eventually come on the taxpayer, in one shape or another.

165. It might be local ratepayers?—Then there is the question of time; we should have to send every morning. We come in at the lower end of that map, and we should have to send up to see if there was anybody on the road.

Chairman.

166. I want to clear up one point; this is the proposed new road going to that point?—Yes.

167. How is it intended to bring it round so as to meet that point?—It goes into an existing road.

Mr. *Halsey* explains the course of the roads.

Chairman.

168. I understand you prefer that Major Waller should give us more definite details about the distances?—Yes; he is actually in charge of the Aldershot lands at present.

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Mr. *Conybeare.*

169. Shall we be assured that there will be sufficient distances between these ranges here and the point where this road crosses the far end of the range to prevent any damage whatever?—Yes, we consider it perfectly safe.

170. There are persons living in this district here; Guildford is somewhere down here, I understand?—Yes.

171. Will the rest of the people of this neighbourhood here be cut off from these roads altogether, or will they have sufficient roads?—They can come either the lower side or go the upper side. In that one district Mr. Halsey, I think, is the most injured man. I will say that. We have left on this road as many tracks as we could allow.

172. Is the whole of this inside the part marked pink fenced already, or is to be fenced?—It is surrounded by a sort of dyke, and it is marked off. The common rights have been purchased; they were purchased a great many years ago; there was extinguishment of common rights.

173. Is there anything to prevent the public travelling over it?—There is the usual sort of bank; of course they can get over the bank.

174. Can they get over it easily?—With a scramble. In some places it is less closed in than in others; in some places it is quite closed in; it is a well-marked boundary.

Sir *W. Crossman.*

175. Are the tracks close by the bank?—Some of them.

Mr. *Shaw Lefevre.*

176. You do not interfere with the public going over?—No, except on certain days.

177. Of course, if they come within the range of firing, then you warn people off?—Yes, we do; but we allow them a free user as much as possible.

Sir *W. Crossman.*

178. Do you close these roads once a year?—Yes, some of our roads.

179. Not all tracks?—Not all tracks.

180. Mr. *Lyttelton.*] May I ask when the War Office acquired this property, and by what deed of purchase it is suggested that there has been an extinguishment of the right of way; I am informed there is no such thing?—Extinguishment of common rights, I said.

181. That is quite a different thing; you must have purchased from the lord of the manor?—I did not say extinction by purchase of rights of way; I said we bought the common rights.

Sir *R. Wyatt.*] There is one question I should like to ask arising out of the examination of the right honourable Member for Bradford. As I understood the suggestions of the right honourable gentleman, it was that you should leave the existing blue roads indicated by the blue lines, and shut them up when the practice was going on, and so drive the traffic over road No. 2.

Mr. *Shaw Lefevre.*] That was my idea.

182. Sir *R. Wyatt.*] May I venture to ask how often the practice will take place there?—The practice will really take place every day.

183. But, at any rate, it would enable the traffic going from Fareham and Frimley and otherwise, now passing over that blue line, to use the road sometimes, and so avoid that long circuit round indicated by No. 3?—I do not think it is a very long circuit; it is rather a better gradient.

184. Can you state the distance?—I do not like to state what I do not know to be accurate.

185. May I venture to ask whether the suggestion of the right honourable gentleman has been under the consideration of the Department at all?—Yes, it has. It was fully considered, but the objection to it is that which I have mentioned, the time that we should lose in clearing the road, because we should have to satisfy ourselves that the road was clear, and there would be a great loss to us in that way.

186. May I ask whether that difficulty would not be met by a notice board at the termini of the roads to indicate when they would be closed?—How about the driver who could not read?

Mr. *Conybeare.*

187. You do not have Sunday firing?—No.

188. Then there would be no objection to having the roads open on Sunday?—No, I think I may say none. Personally, I should see none. There is only the question of the upkeep.

189. Why should not we reserve the road for Sunday use, so that people who might like to do so might drive over the high ground and get a breath of fresh air; do you say that would be a question of expense?—It would be really a question of expense. A road has to be kept up, and a considerable amount of labour has to be done.

Mr. *Shaw Lefevre.*

190. Who keeps up the roads now?—The highway board.

191. Then it would not fall upon the War Office?—No, but I do not suppose they want to keep up two.

Major STANIER WALLER, R.E., called in, and Examined.

Chairman.

192. YOU are thoroughly conversant with the roads which it is proposed to make?—Yes.

193. And those which it is proposed to close?—Yes.

194. Will you give the Committee the expense of the road, No. 1, shown at the top of the map, which it is proposed to substitute for the green track?—£. 560.

Chairman—continued.

195. What is the length?—One thousand four hundred yards.

196. Then

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Chairman – continued.

196. Then taking No. 2, which connects with it, what is the distance?—The distance, 1,500 yards.

197. And the total cost of it will be, with cuttings, how much?—£. 2,300.

198. Those two roads replace the green, which is at present an unmetalled road?—Yes.

199. The traffic has not yet been sufficient to make it necessary to metal the road?—That is so.

200. I am speaking now of roads, Nos. 1 and 2, which are given for the track which now goes over the unmetalled road, the Green Track?—So I understand.

201. There is no metal, is there, on either of the roads. Take that road which is not shown on Mr. Pain's land, to which allusion was made. Is that a metalled road called the Deepcut Bridge, up to Colony Gate?—There has been some metal put upon that, I think.

202. But that is not a highway?—I believe it is not a highway.

203. It is not looked after by the Highway Board?—No.

204. Is the road which communicates with the Green Track, which passes to the left of it, a metalled road or an unmetalled road?—That has been lately metalled.

205. But the traffic going across the common traverses by an unmetalled road?—By an unmetalled road.

206. Then take road No. 3, the Blue Road, what is the length of that road?—Four thousand three hundred and seventy yards.

207. And that will involve an expense, with cuttings, of what?—£. 4,668.

208. Then that replaces the Blue Road, which we have just heard is a metalled road?—Yes.

209. And the Highway Board would take it over in case it was made?—Yes.

210. What is the expense at which the War Department will be in providing the alternative roads which are proposed in the Bill?—If they are constructed 1 in 20 gradient, the total cost would be 7,528 *l.*

211. Then the War Office proposes, as a solatium to the neighbourhood, the expense of some 7,528 *l.* in constructing good roads in place of roads one of which is unmetalled?—One of which is unmetalled.

212. Then you are aware that certain demands have been made either by the Highway Board or by private individuals for additional roads?—Yes.

213. Could you state to the Committee what the cost of those roads would be; I think it is in Mr. Pain's petition that a road is asked for from Heatherside to Colony Gate.

Mr. *Lyttelton.*] That is not in our petition.

Chairman.

214. It has been made the subject of consideration, and will be brought before the Committee. I will ask you, just to put that on record; what length is that road?—That road is 2,200 yards, and the cost of making it would be 880 *l.*

215. Then a road has also been spoken of from Heatherside, that is just at the junction towards Frimley. What length is that road?—Two thousand four hundred and fifty yards; that will simply be metalled. The road is already formed. It will cost 980 *l.*

Chairman—continued.

216. Then there has also been a proposal, called road No. 4, which proceeds from Deepcut Bridge, in the direction of Brookwood Station. What is the length of that road?—From the junction just below Deepcut Bridge to Furzehill Pond is 3,600 yards.

217. And what would be the cost?—£. 1,874.

218. I think you are conversant with certain proposals that have been made to the War Office, for I do not see them in Mr. Pain's petition, that a road should be made from Colony Gate by his boundary to Mainstone Gate, and then by a comparatively short cut off War Office land to Brookwood.——

Mr. *Lyttelton.*] With great respect, I am informed that this negotiation, which is now being the subject of investigation, was made entirely without prejudice.

Chairman.

219. Then I will not say any more about it. With regard to the road claimed by Mr. Murray, of which we have had some examination, the short road, as it were, going across there, what is the length of that road?—One thousand three hundred yards.

220. And that would cost?—About 520 *l.*

221. May I take it that the War Office, being already about to spend some 7,500 *l.*, have been asked to spend also, by various parties in the neighbourhood, nearly 5,000 *l.* more?—Yes.

222. And that is in consideration of closing one single metalled road of a mile and three-quarters, and of suspending certain tracks by which there has been, at present, access?—Yes.

223. We have heard a good deal about the Mainstone Gate track; is that track very easy of access by carriage?—Quite the contrary; it is very steep down the hill.

224. Would it be possible for a carriage with springs to get over that track without great risk of breaking them?—Well, it could go along the track, but it is a very rough track indeed, merely a cart track.

225. It is one on which you could not possibly trot during the greater period?—Not without great damage to your springs.

226. You would have to go at a foot's pace?—Yes.

227. The gradient, I understand, is not very good?—The gradient up the hills is not good.

228. Most of the other tracks which have been alluded to are simply foot-paths, are they not?—They are practically obliterated.

229. They lead to nowhere in particular?—The tracks which were shown on the old Ordnance Survey were mostly paths leading to stone quarries, or paths used for turf cutting or for cutting the heather, and they have practically disappeared.

230. Are there any villages of considerable importance between Mainstone Gate track and Colony Gate track?—No. I can conceive there being

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Chairman—continued.

being no business traffic of any sort or kind across there.

231. Therefore there would only be an occasional inconvenience to somebody who might be traversing at a foot's pace?—Yes.

232. What villages are there?—There is the hamlet of Bisley on the right.

233. What size is that hamlet?—I could not speak to the population, but it is a small village, and an unimportant one.

234. Is there anything further north?—Further north would be Chobham.

Mr. *Shaw Lefevre.*

235. What is there on the other side?—There is nothing nearer than Frimley. Frimley is a very straggling district, which extends a considerable distance up to the north.

236. At present there is practically a way from Frimley up to these villages you spoke of, across the heath by that green road?—I do not think there is a continuation across Mr. Pain's land. They would have to go to Deep Cut Bridge.

Chairman.

237. Mr. Pain has tracks, has he not, communicating with Colony Gate and Mainstone Gate?—There is a right of way which was laid down, I think I am right in saying, by the Frimley Award, from Deep Cut Bridge to Colony Gate.

238. And is there a diverted track to Mainstone Gate?—There is a road. I am not quite certain whether it is actually Mainstone Gate; but Mr. Pain has made a road more or less parallel to the road coming off the Deep Cut Road, and ending in a gate in that red line. I am not quite certain whether that is actually the Mainstone Gate, or not.

239. But if there was a road to Mainstone Gate, over Mr. Pain's land, and that track communicating with it were shut up, I suppose that would be to Mr. Pain's advantage, would it not?—I should say so.

240. His view is to make a building estate there, is it not?—I imagine so.

241. Consequently a difficulty in making a building estate would be removed by closing the tracks?—Certainly.

242. So far then as shutting up tracks is concerned, it would probably put a large sum of money into Mr. Pain's pocket?—I suppose it would improve the value.

243. The Committee would like to know what the distances are of the various ranges from the various roads. Perhaps we might take the greatest range at Pirbright, which Mr. Halsey pointed out. What is the distance from the butts of the cross range at Pirbright to the green track which it is proposed to shut up?—From the butts would be 1,750 yards.

244. Therefore, that would only give 1,750 yards behind the butts?—Behind the target.

245. What is the distance following on from the green road proposed to be made?—The total distance from the butts to that road would be 3,700 yards.

Chairman—continued.

246. And there are the intervening spurs or hills?—Yes, very undulating ground.

247. Now, taking the National Rifle Association ranges, what is the distance from the National Rifle Association butt to the green road?—From their long range butts to the green road is a distance of 600 yards.

248. Therefore, it is exceedingly dangerous at this moment?—Very dangerous.

249. And to road No. 2?—It is 2,800 yards from the butts to the road No. 2.

250. Then there are spurs which intercept bullets to some extent?—Yes.

251. Then, taking the new range, can you tell the Committee the distance from there to the limit of the War Office property?—The firing-point will be somewhere near that water, called Greatbottom Flash.

252. Taking the old range, do you know the distance from the present butt to the boundary of the War Department property?—It is not quite 2,000 yards; about 1,500.

253. Now the new range?—There will be three groups of new ranges, firing in a general direction, which is being indicated by the pointer now. From the left-hand one, which will be the nearest to the Guildford road, the distance from Greatbottom Flash would only be 2,000 yards, that is to say, assuming the ranges were 800 yards, you would only have 1,200 yards behind the butt before the fire crossed that road.

254. That road would be very much exposed?—Yes, that road would be very much exposed.

255. The distance to road No. 3 will be how far behind the butt?—We shall get nearly 4,000 yards to the corner, where it runs out of the War Department property.

256. Then the road proposed to be shut up is on a hill, which hill will act as a buffer?—Yes, both roads join on the top of the plateau.

257. Is it your opinion that it will be safe to keep that road open for traffic in the intervals of firing, and to have continual stoppages?—Either one thing or the other would have to stop, either the traffic or the firing.

258. You think the stopping of the traffic would be difficult?—It would be very tiresome, undoubtedly.

259. Can you tell the Committee what the distance is which a man going from Mitchet or Frimley to Guildford would have to travel by the new road in excess of what he travels now?—As nearly as possible a mile; as nearly as possible the distance which actually exists between the two roads now from north to south.

260. And will the grades of the new road be as good as those of the old road?—If the amount of money is expended on them, which I stated, they will be a great deal better.

261. And in the same way, taking the roads further north, which it is proposed to substitute, those grades will be also equivalent?—They will be better.

262. Then the access at present from Mr. Pain's land to Brookwood Station is very inferior?—Yes.

263. It is by a succession of tracks?—I suppose Mr. Pain's nearest way to Brookwood is across Deep Cut Bridge, and then along that road marked No. 4.

264. That

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Chairman—continued.

264. That is not a road at present, it is only a track?—That is metalled to a certain extent, but a great part of it is only a track.

265. If that were completely metalled it would make an excellent access to Brookwood Station from Mr. Pain's land?—And from all that district from Frimley.

266. In fact, the making of that road would give better access, with additional station access, than exists at the present time to any station?—It would from that district.

Examined by Mr. *Lyttelton.*

267. You know this estate was acquired by the War Office in 1878?—I believe that was the date.

268. Until then it was common?—It was common land.

269. I presume you know that nothing except the common rights were purchased?—Only the common rights, that is to say, the freehold and the common rights.

270. The rights of the lord of the manor, and the rights of the copyholders?—Yes.

271. There was nothing said in the deed of purchase at all as to rights of way?—That I could not say for certain, but I imagine there could not be.

Mr. *Shaw Lefevre.*

272. They first bought the lord of the manor's rights, I suppose?—It was the same purchase, at least, one very shortly followed the other.

273. Mr. *Lyttelton.*] Therefore, whatever rights of way existed before 1878 have existed since?—I imagine so.

274. And although Sir Redvers Buller may speak of drawing a cordon, that drawing of a cordon round would be done by the license of the public only. It would not be the right of the War Office to do so?—I suppose they could fence in the whole of it except where they recognise rights of way.

275. I imagine it has been very well established, that if they did the public could pull them down?—We fence a great deal of our property.

276. And the public have not pulled it down. But I suggest it is well known they may pull it down at any moment if you erect fences?—Only where we recognise rights of way.

277. You admit if rights of way existed before 1878, that you could not stop these rights of way now by virtue of anything that occurred then?—We could not stop rights of way; no.

278. I do not know whether you are aware that in 1826 Mr. Pain's estate was enclosed; was in the enclosure award?—Yes.

279. Therefore, no common rights existed for that, and all rights of way were closed under that award of 1826?—Yes.

280. You accepted the suggestion from the honourable Chairman, that the closing up for a mile-and-a-half of all access to the east was a subject of benefit to that building estate; would you tell me the process of reasoning by which you arrived at that result?—A right of way crossing an estate I suppose is a nuisance.

281. Then you assume that there is a right of way across that estate which was enclosed?—There certainly is a right of way across from Deep Cut Bridge to Colony Gate.

282. That one?—Yes, I know of that one. There may be others; I happen to know that one, because it affects our interests.

283. You think the destruction of one right of way through that building estate compensates for a destruction of the access for a mile-and a-half on the east side?—Under the circumstances, the access on the east side is practically no access, because of the lie of the ground. It is so steep.

284. I think the tract is now used by carriages?—A carriage could drive down it.

285. And they do drive down it?—I suppose once a year.

286. Do you think it no depreciation to a building estate that occupants of the houses cannot very well go upon the common adjacent to them. Would you not think so if you were taking a house?—If it was common.

287. Just put youselves in the position please of taking a house which at present had free access to a beautiful common, and somebody proposing to take that access away for a mile-and-a-half; would the value of that house be lessened at all as a residence?—If it was a common, which this is not.

288. So you have said several times; but we have rights of way over the common, and you have admitted them?—I admit one.

289. However, you would agree if they could walk over this common at almost any time that they pleased, and if that access is in future taken away, that that would lessen the value of the estate, or lessen the value of the house to you, supposing you occupied it?—(No answer).

290. You have spoken of the road No. 3, and road No. 2, I think, as hereafter to be maintained by the highway board?—That is in the Bill.

291. You are quite willing to have that made clear, if it is not made clear?—Certainly.

292. And you would also agree that these roads should be for the use of the public?—The new roads 1, 2, and 3, certainly.

293. That they should be for the free use of the public, and should be maintained by the highway board?—Yes.

294. There is a road there now already in the direction which Mr. Pain shows?—There is an old track to a gravel-pit, whch stops half-way up the hill. That is the only road I can admit from my knowledge of the ground.

295. You would not deny that that was so, if it were pointed out to you?—What may be called a track along the boundary from Colony Gate to Mainstone Gate, was a fire clearing, made some years ago at Mr. Pain's request, in consequence of a fire having penetrated into his property. Previous to that the heather at that point was very high, and there was no track along that boundary.

296. From Mainstone Gate?—From Colony Gate to Mainstone Gate; Mainstone Gate being just near that point.

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Examined by Sir *Richard Wyatt.*

297. Sir Redvers Buller referred me to you for information as to various engineering questions. I gathered from him that you laid out the road; that the several roads proposed were projected by yourself? — They have only been roughly surveyed.

298. May I ask you whether, in carrying out the instructions of the Department, you felt it necessary to resort to the usual practice in Parliamentary schemes, of having a proper survey, and a section of the roads made?—As an officer quartered at Aldershot, I only furnished such plans as I was asked to do. I had nothing, of course, to do with subsequent proceedings.

299. Do you know the requirements of the Standing Orders of Parliament with reference to the preparation of plans for the information of the public?—No, I cannot say that I do.

300. Do I gather from you that there is no other professional gentleman who has been employed for the purpose of ascertaining precisely the nature of the soil on which these roads are to be made, and other information which is usually given in cases of this kind?—I can answer any question as regards the soil, &c.

301. May I ask if any civil engineer has been employed in this?—No, not to my knowledge.

302. Anyone who can give information besides what you can give yourself?—Not to my knowledge.

303. Then, without such plans and sections, may I venture to ask you how you have arrived at this estimate of the cost of the road?—I have had sections taken myself, and these prices are based on the schedule of rates for measured work which exist in the Aldershot district.

304. But that has not been made known, as in the ordinary course of a Private Bill; no deposit has been made of the sections that you have had taken, or of the estimates?—That I cannot say; not to my knowledge.

305. Now let me direct your attention to the Mitchet property; may I assume that you are the gentleman who went over the road suggested by the highway authorities?—I did; I walked across some few days ago.

306. You are aware, I believe, that the subject has been under consideration of the highway authorities, and that they came to this resolution as to road No. 3 on the plan, that the Department be asked to make a straight road from Mitchett Canal Bridge to the point at which road No. 3 starts, in lieu of the present circuitous route. Had you this resolution of the highway authorities before you when you visited the locality?—I knew that the question had been mooted of making a road across there.

307. May I ask if you share the opinion expressed by Sir Redvers Buller just now, that it would be a great public advantage, and that there was no objection to making such a road?—I do not myself think there would be any great public advantage in it.

308. Do you know the population of Frimley; you said it was a scattered place?—No, I do not exactly know it.

309. Will you take it from me that it has 5,000 inhabitants?—Yes, certainly.

310. And then the intervening district is somewhat populous; there is a considerable population there, is there not?—Certainly.

311. Now, take that population wishing to go to Guildford; they pass over that lower blue line?—They do, if they like to go that way.

312. There was a considerable expression of surprise when you stated, in answer to the honourable Chairman, that there would be only a saving of a quarter of a mile by passing over the present road instead of No. 3?—I beg your pardon; I said a mile.

313. I took it down as a quarter of a mile at the time; I thought it must have been a mistake?—It was a mile.

314. May I ask when your attention was called to the suggestion of the highway authority to make that small short road at the back of Mr. Murray's property down to road No. 3; did you go carefully into the cost of constructing that?—No.

315. Then your suggestion that it would cost 500 *l.* is a mere guess?—It is simply the cost of forming and metalling that length of road, in accordance with the provisions of the Bill, and making no allowance at all for any cuttings.

316. And I believe it would be a very easy gradient?—That I could not say. It is rather thickly wooded, but I do not think there would be any great difficulty.

317. You did not take the levels?—I did not take the levels.

318. Your suggestion that it would cost 500 *l.* is merely a guess, and not founded on any actual survey?—It is, so far, true, that it will be the cost of forming and metalling that length of road; there might possibly be some additional cost for cuttings.

319. Having regard to the fact that there is a considerable population at Frimley and the intervening places, you agree with Sir Redvers Buller that it would be a convenience to have a straight line across instead of that circuitous route which forms nearly two sides of a triangle, you share his opinion about that?—It would be a convenience for people coming from Mitchet Bridge certainly into the junction of these roads, it would be shorter.

320 Now let me draw your attention to the end of the lower blue line. Suppose a person wished to go from Frimley to any place at the end of the lower line, the terminus to the right, it would make an enormous difference to him, would it not, if he had to go up over No. 3 and then join the existing roads to get down to this point, at the end of the line marked red, for instance. What would be the distance, would you say, there?—The distance between the ends of the two roads was nearly as p ssible a mile.

321. I am afraid I did not make myself understood. I say, if a person passing from Frimley wished to go to any place at the end of the lower blue line, or down to where that red line is indicated, what would be the difference in distance if he had to go all round the road No. 3 and over the existing roads between the terminus of the No. 3 road; in fact, it would be more than half a circle, would it not?—From the junction of the dotted road to where junction No. 6 is written, and from

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from the junction of the dotted road to Henley Park, which is on the right; there I think the length of the roads is very nearly the same. No. 3 road is a little longer. Then the distance between the ends of the two roads is a mile. Therefore, take the extreme case of a person wanting to go from Mitchet to the end of the bottom blue road, and having to go round by the other, I should think he would have about a mile and a quarter further to go.

322. You were in the room, I suppose, when the question was put to Sir Redvers Buller, by the Right honourable Member for Bradford, about the continuance of the existing blue roads to be closed only when the firing went on?—I was in the room.

323. Then, may I ask you, do you see any practical difficulty in allowing those roads to remain open with a proper notice at the termini, that during certain hours no traffic would be allowed to pass over it?—It would be tantamount to putting that notice up at daylight, and taking it down at dusk.

324. But not on Sunday. There is no firing on Sunday?—No.

325. And during the night too there is no firing?—There is sometimes night firing with electric lights, and so on; not very frequently, of course.

326. At any rate the public would have the advantage of using this shorter route on Sunday, and at least at night, and at any other time when the firing was not going on?—Yes, that could be arranged.

327. Will you be good enough to explain to the Committee what your serious objection is to that suggestion being acted upon?—The liability of the privilege, as it would be in that case, to abuse. You never can persuade the public that because a road is open on Sunday it is not therefore open on Monday. We should have continual trouble.

328. Will you forgive me reminding you of the old story of Mr. George Stephenson who, when he was asked what would happen to a cow that was astray on the track, replied, "he would be very sorry for the cow." If any person was foolish enough to violate the bye-laws, and to get shot, that would be his fault?—It does not altogether apply, because, of course, if any person were seen in a dangerous position the firing would be stopped, and therefore there might be, and probably would be, continual trouble in that way.

329. Would there be any difficulty in the War Office putting a sentinel at each of the termini to warn people, and to prevent their going upon the road during dangerous times?—That could be done, of course.

330. And that would entail no expense?—I suppose there would have to be a sort of lodge-gate.

331. An officer, I presume, could be told off for that particular duty?—You would want three officers if you are going to put one at the ends of all the roads.

332. Three non-commissioned officers?—Of course, guards could be established there, but they would be a long way off their barracks.

333. Do you think the extra trouble attending that would be in the slightest degree commensurate with the advantage to the public of having the privilege of using this shorter route?—Before answering that question I should point out that the shorter route is a very difficult route, and that the majority of people coming from Frimley in reality drive round the bottom of this map to get to Guildford. The gradients are very steep. The people drive up there for a pretty view; but I deny that that road is very extensively used for business purposes.

Chairman.

334. You mean the blue road, which it is proposed to shut up?—Yes.

335. Sir *R. Wyatt.*] Would you be surprised to hear that others do not share your opinion?—That is very possible.

336. You are not resident in the locality?—I am quartered at Aldershot. I have been there for some time. I know the country very well.

337. Have you any objection to allow the parties interested to see the sections that you have taken, and to check them?—Certainly not. I do not know whether they will be able to understand what parts they refer to. They refer to sections on my own map. I shall be happy to explain what they refer to.

338. The vertical heights, I see, are given?—That which you have in your hand is a section of No. 2 road, from the point where it joins the red line at the top, to where it runs into the red line at the side.

339. And is that dotted line to indicate the datum line?—That dotted blue line is a uniform gradient of 1 in 20.

340. This is intended as a datum line?—That is the datum line from which the levels are taken.

341. And what is the fixed point for the datum; it does not appear to be given?—It is taken so many feet below the lowest point.

342. The lowest point of what?—Of the road.

343. It is not indicated, so that any one going upon the ground, and desirous of checking this, would have no means of doing so?—By starting from this point of junction of the road, they could check the levels perfectly.

344. Will you forgive me asking how you would lay out a plan and section so as to enable the public taking a copy of it, to go upon the ground and check your levels; there is no bench mark?—The exact spot that that starts from can be pointed out on the ground, and there you have the level.

345. The usual thing is to have it above high water mark, or to have a bench mark of some kind, even a door step would do, but there is nothing of that kind to indicate it?—No. They are only rough sections, as I have said.

Mr. *Shaw Lefevre.*

346. Have you conducted the whole of the negotiations on the part of the War Office in this

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Mr. *Shaw Lefevre*—continued.

this matter?—No; I am only the local officer who has reported to the War Office.

347. Who has conducted the negotiations on the part of the War Office with the local authorities and others?—I suppose Mr. Brodrick, as far as I know.

348. The letters have not been written by yourself?—No.

349. Do you know what communications have been made with the highway authorities?—I know what the highway authorities asked.

350. Is there more than one highway authority for the whole of this district?—There will be two; the Guildford highway authority.

351. What is the other one?—Farnham.

352. Do you know what means have been taken to inform the public of the district of the intended shutting-up of these roads?—I believe the usual plans have been furnished.

353. To whom have they been furnished?—I could not say to whom they have been furnished.

354. Do you know whether the people on the spot are aware of what is going to be done?—I gave a list of people to the War Office.

355. What people?—Landowners and residents round.

356. But besides the landowners there must be the general public?—What plans have been sent to the public I cannot say. They would be sent from the War Office.

357. Has there been any opportunity given to the public of knowing what is to take place?—I believe so.

358. Has there been any public inquiry?—There has been no public inquiry that I know of.

359. No general notification of the general shutting up of roads so that the public generally might object?—I believe the usual procedure in the case of a Bill like this has been taken, but of course I cannot speak to that.

Chairman.

360. Have there been advertisements in the local papers?—Yes, there has of the Bill.

361. And there has been a meeting of the inhabitants of Frimley, has there not?—Yes.

362. And of the inhabitants of Pirbright?—I know of the meeting at Frimley; I could not say for certain about Pirbright.

363. The two highway boards have each been furnished with plans?—Yes.

364. And their representatives are here to-day and will be called?—Yes.

Mr. *Shaw Lefevre.*

365. I understood from you that you admit that there are other tracks over this extent of land which it is not proposed now to deal with under the Bill, besides those marked blue and green?—There are rough tracks. Most of them are now obliterated, grown over.

366. Still they are public footpaths, are not they?—They are the remains of old cart tracks, &c., but they are seldom used.

367. They are used occasionally?—Rarely since the ground became War Department property.

Mr. *Shaw Lefevre*—continued.

368. They are public all the same?—They are remains of rough tracks.

369. Then it is proposed by Clause 5 to take power to the War Office to suspend those?—Yes.

370. And under Clause 6 power is also taken to shut them up altogether?—Yes.

371. Under Clause 5 it is proposed to take power to the War Office to suspend them during the firing?—Yes.

372. That is the method contemplated under the Bill?—Yes.

Mr. *Rendel.*

373. Is it the northern portion above the line which was secured by the War Office in 1878?—The War Office purchase in 1878 extended from that point northwards to there.

374. How many ranges would be placed on the whole of the land shown on that plan, provided the present project was carried out?—There would be three groups of ranges on the Ash property, that is down the left-hand corner, and there would be an almost continuous rifle butt for War Department purposes only of nearly a mile long at Pirbright.

375. On the southern end?—On the north of the canal.

376. In addition?—Yes.

377. What do you estimate would be the increase in the number of butts which would be then available as compared with the present number?—It is difficult to compare; for this reason, that I think the difficulties experienced with this new rifle will entirely revolutionise the army ranges, and instead of having ranges at wide intervals, as we have had hitherto, we shall be forced to adopt the Wimbledon system, where the targets were placed closer together, and therefore with much less ground we shall get more ranges.

378. But at the same time you intend to increase the number of sites under the new project as compared with the existing number?—The whole of that ground at Ash is at the present moment covered with ranges which we are obliged to stop. It is proposed to utilise that ground again for ranges, only to turn them round to the left so as to fire along our ground instead of across it.

379. On the northern half?—On the northern half the Guards' ranges, as they are called, exist, and will probably be added to and made continuous. I think they would probably be converted on the Wimbledon system.

380. And the National Rifle Association?—Of course their butts are on the Wimbledon system.

381. And that would be extended?—That extends to the road above that green patch. There will be an almost continuous rifle butt of two miles in length in the future.

382. There will be then, I think, not only an increase in the length behind the butts, but there will be an increase in the number of butts, and in the number of places in which the butts are situated?—In the number of men firing enormously.

383. About

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Mr. *Rendel*—continued.

383. About what proportion of increase do you suppose?—It is difficult to say. I think that Pirbright will become, inevitably with the new rifle, a very great centre for musketry practice, and that it will be in continuous use.

Mr. *Conybeare.*

384. Have you any personal knowledge as to what course is taken in respect of informing the public by deposit of plans or otherwise?—It was advertised in the local papers, as Mr. Brodrick says. I can only speak of what was done at Aldershot. I furnished such plans as I was asked for. What became of them afterwards I cannot say.

385. What parties asked you?—I only furnished them to the War Office of course.

386. Not to the general public?—No.

Sir *Richard Wyatt.*] Perhaps the honourable Member will allow me to call attention to the notice of the Bill, which says, "Plans of the property intended to be taken compulsorily will be deposited with the clerk of the peace for Surrey."

Chairman.] You do not appear for the clerk of the peace for Surrey; you appear for Mr. Murray.

Mr. *Cameron.*] May I explain upon that point. The notice stated that there was a power to take certain lands, but that power was abandoned.

Mr. *Conybeare.*] I only asked the question because some gentleman asked Major Waller on the point. I notice in this petition of Mr. Pain's that it is complained that no plans and sections were deposited in the usual way, and that no proper notices of the intended applications were published.

Mr. *Lyttelton.*] That is so.

Chairman.] The chairman and representative of the Guildford highway board will be called.

Mr. *Conybeare.*

387. Have you, or anybody on your behalf, taken steps to ascertain the number of persons using this lower blue road right across the main range either for business or pleasure?—No.

388. I do not know whether this is a question that you can answer exactly, but have you formed any judgment as to what would be the treatment of the public who might attempt to use the old tracks if this measure is passed. Would they be treated as trespassers?—The country is so very wild and uninhabited that really you might wander about there for a long while without anybody ever seeing you; and I do not know any treatment that could be laid down. If you like to trespass you probably could do so without anyone touching you.

389. I understand that the War Office will regard the whole of this extent of line as their own private property?—Trespassers would be warned of their danger, and ordered off, if anyone saw them.

390. And would that apply to occasions when no firing was going on?—I imagine that in that case it would not be done. I suppose the Bill would, however, give us the right to do so.

391. That is the important point; the question is whether it is right that the whole of this extent of country should be cut off from the public on occasions when there could be no possible danger to persons, as, for instance, on Sundays; you consider that the War Office would have the power, and might exercise the power, of treating all who might stray on these lands on Sunday, or other days, as trespassers, and send them off?—I should think the practice would obtain that obtains now. The Government warders interfere with nobody on the Government land unless they think they are at mischief; people are free to go everywhere.

Mr. *Edwards-Moss.*

392. What is the extent of traffic along this lower blue road; that is, between Frimley and the neighbourhood of Guildford?—I do not think there is really very much business traffic at all. People going from the outlying parts of Frimley to Guildford have the railway, which curves round the bottom of the map, and, in driving, they would naturally drive at the bottom. The gradients of the hills are very considerable there.

393. Do you say that the difference of distance would be about a mile?—About a mile.

394. What would be the difference in time, supposing you were going to drive from this village of Mitchet?—Mitchet is an estate, not a village.

395. Supposing you were going to drive from Mitchet to Guildford, would you go by the present road or the No. 3 road?—At the present moment I should go by the lower road, of course.

396. The present road?—Yes.

397. The gradients are very steep there?—The gradients are steep. The new road would be a far better road; but if I was simply driving for my own purpose to get to Guildford I should go the lower road, as more direct.

398. By a mile?—By a mile.

Sir *W. Crossman.*

399. What is the difference in the distance between Mitchet and Guildford, taking this lower road instead of that one?—I should think it is very much the same thing in the end, starting at this point, whether you go there or there.

Chairman.

400. As a matter of fact, what is the distance between Frimley and Guildford?—I should think eight or nine miles.

Sir *W. Crossman.*

401. You know this country well?—Yes.

402. It has been given in evidence, if these roads are not blocked up and new ones established for them that in fact musketry practice with the new rifle would be rendered almost impossible?—Yes.

403. So that for the benefit of the public service it is almost absolutely necessary, in your opinion, that the change should be made from the old roads to those now proposed?—Certainly.

Mr. *Shaw Lefevre.*

404. At present it is practically impossible to shut out the public from the user of this land in

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Mr. *Shaw Lefevre*—continued.

in consequence of the numerous roads and tracks across it, is not that so?—No, I do not say that at all. We have the power of ordering anybody off anywhere except where there is a road.

405. That power is practically of very little use as long as these roads and paths exist?—The country is really so sparsely populated that the question hardly ever arises. It is not as if we were given the trouble of turning people off. You never see anybody on.

406. There are a number of people use that blue road?—Not very many. The traffic is very small.

407. But they can wander from that road across the land anywhere?—Yes.

408. If you take power to shut up all the roads then you would have power to exclude all the public from the land?—Certainly.

409. Mr. *Lyttelton.*] Will you point out where the nearest range is *here.* You propose to shoot in that direction?—Almost due north. All the firing points are along here.

410. Sir Redvers Buller, I understood to say, that the rifle range extended in that direction?—No. None of the firing will go to the left-hand corner, none of the production of the lines of fire, to the best of my belief.

411. You would not object to a clause making that clear in the Bill?—It does not concern the War Department ranges. It only affects the National Rifle Association ranges.

412. Sir *R. Wyatt.*] May I ask when you were first interested about this project?—You mean this Aldershot Roads Bill.

413. Yes?—I think about two years ago.

414. Were you consulted at all in the framing of the Bill?—The drafts were sent down to Aldershot.

415. Can you explain to me why this was substituted for a Bill previously delivered. Do you know the difference between the two Bills, for there appear to have been two Bills distributed?—The first Bill was drafted before the new rifle gave so much trouble and had to be modified in consequence.

Chairman.] It was in consequence of my name being incorrectly spelled. There was no other point of difference whatever.

416. Sir *R. Wyatt.*] Were you consulted about the notice for this Bill?—No.

417. Have you read the notice for the Bill?—No; I do not think I have.

Sir *R. Wyatt.*] I should like to put in the notice for the Bill.

Chairman.] We can hardly go back to inquire into that.

Sir *R. Wyatt.*] It arises out of the examination of the honourable Member to the right, who asked what notice had been given. I wanted to show that the only notice that has been given is one calculated to mislead, because it does not agree even with the Bill.

Mr. *Conybeare.*] That is an important point which I certainly should take notice of. I did not press it upon Major Waller, because I was doubtful whether he was the right witness.

Chairman.] We have had evidence already that all the notices required by law have been complied with.

Mr. *Lyttelton.*] We do not assent to that. I have asked each witness whether he was responsible for the notices, and he has said not, and I shall comment upon the fact that proper notices have not been given.

Chairman.] Then you will establish that on your petition.

Major CHARLES B. WALLER, called in; and Examined.

Chairman.

418. YOU are connected with the National Rifle Association?—Yes.

419. You last year selected Bisley Common as the scene of your future Wimbledon?—Yes.

420. And you had a large number of other places before you at the time?—Yes.

421. Could you give the Committee any information as to what places you were invited to go to?—We were asked to go to Cannock Chase.

422. You were asked to go to a large number of other places?—Yes, at least a dozen.

423. And you were pressed by Members of Parliament representing districts to prefer their districts?—Yes.

424. And you had references to you and the Secretary of State for War begging him to interfere?—Yes.

425. And he refused, did he not, to interfere on behalf of any district?—Yes.

426. But you understood that you would receive any facility which the War Office could

Chairman—continued.

give you where they happened to have land?—Our attention was mainly directed to Bisley on that very ground, that we should have those facilities.

427. Was it made clear to you at the time that there being a large amount of lands at Bisley in the occupation of the War Department you would have full advantages over that ground?—Yes.

428. And you understood at the time that steps would be taken to protect you in the matter of tracks and roads, as far as possible?—Yes; we understood that we should have an uncontrolled right of shooting conceded to us.

429. Otherwise you would not have come to Bisley?—No, we should not.

430. You counted upon the authority of Parliament being brought to enable you to carry on your shooting?—Undoubtedly.

431. What amount of land did you acquire?—We purchased altogether rather over 247 acres.

432. What sum of money did you pay?—It varied

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Chairman—continued.

varied from 49 *l.* to 57 *l.* an acre, and we paid altogether nearly 13,000 *l.*

433. And, provided you had the right of shooting, you have got now ample land for your purpose?—Yes.

434. What number of men do you expect in camp there during the fortnight?—I should expect a larger number than usual, owing to the novelty of the thing. Our average attendance of men sleeping in camp during the whole meeting last year was 2,500 per night.

435. And those were there for a fortnight?—Yes, on an average.

436. But, in addition to that, will you use the camp at other times?—Yes; we hope to use it all the year round as training and shooting ground for the regiments within reach.

437. And there will be camps there, as well as shooting going on, at the same time?—Yes.

438. To what extent will you draw your supplies from the neighbourhood?—I should say that the ordinary regimental camps that would be formed there for musketry training must draw their supplies from the neighbourhood by the ordinary method of the quartermaster getting supplies from the nearest places. The custom is to draw very largely on the neighbourhood for the more perishable provisions, such as eggs, butter, and such things as might be found in large quantities here, farm produce generally.

439. This you obtain from the farmers and neighbouring proprietors?—Yes.

440. You consider that was one of the advantages to the neighbourhood that was looked for by those who invited you to go to their respective neighbourhoods?—Yes, I think it is very largely counted upon in this neighbourhood.

441. Have you had any negotiations with the South Western Railway with regard to accommodation and trains?—Yes; they have made exceptional arrangements, both as regards speed and accommodation, for the trains to the camp, and frequency of running for our special purposes.

442. The tendency, then, will be to improve Brookwood as a station?—Very largely, I should think.

443. Can you give me the number of trains there are per hour from Brookwood?—I am afraid I could not. I should say not more than an average of one per hour stopping at Brookwood.

444. Your experience would show you that an improved train accommodation, and the other advantages you offer, would tend to raise the value of land in the neighbourhood?—Certainly.

445. To some extent would houses be taken during the meeting in the neighbourhood?—The difficulty at present is to find sufficient house accommodation in the neighbourhood.

446. Mr. Pain's land may become more valuable for that purpose?—I should say so, undoubtedly.

447. At Wimbledon there is considerable letting value to houses?—Yes. Well, it will hardly compare with Wimbledon, because there was a large colony when we went there; but there are many hundreds of men who take lodgings in the neighbourhood, and they go as far as

Chairman—continued.

two miles to take lodgings, rather than live under canvas.

448. Therefore you have every expectation that the neighbouring landowners will gain largely by your coming to live among them?—Judging from the increase in prices already asked for land in the neighbourhood, I should think they would gain largely.

449. And would the fact that the War Department possessed a large amount of land, on which they do not intend to speculate for building purposes, have any effect?—Yes, I should think that must be an element in the consideration.

450. You intend to use your ranges for targets and also for field firing, do you not?—Yes.

451. Is field firing specially dangerous?—Field firing is the most dangerous class of practice, because it is at very great ranges, and there is no very just aim. There is more or less a rough judgment. The rifle at 2,000 yards range is used more as a sporting gun.

452. Therefore the danger would be very much increased by the field firing?—Yes; the whole of the arrangements have been made on the assumption that the public will not be on the spot at all during firing.

453. Then in this Bill you have recognised it as a very great concession to the public, the leaving any of the tracks open during the time of the firing?—I am only referring to the northern half of the scheme, because I know nothing of the military arrangements for the southern half, but on the northern half we consider that it is absolutely essential that there should be no track open to anybody to use during the firing. As to allowing a man to stroll into the heather and pick wild flowers in the evening, or in the early morning, that would be another matter, but any track from the railway as far as the pink-coloured land to the north would undoubtedly be a very dangerous track to traverse.

454. Will you tell the Committee to what extent your shooting will be going on, as far as you know?—We shall probably fire between 200,000 and 250,000 rounds in one fortnight in the year, and we anticipate that we shall have as many as 30 or 40 regimental camps. The whole regiment will be taken there, because, so far, it is the only place in England that offers a place for troops to be exercised in musketry drill on anything like a comprehensive scale; and it is in order that we might make that offer to the Volunteers that we have spent, I am afraid, something approaching 30,000 *l.* upon this site, counting our losses in removing from the other.

455. The Volunteers have had great difficulty about their ranges, have they not?—So great that for class-firing men have sometimes 40 or 50 miles to go to fire 10 rounds of cartridges.

456. And those difficulties will be increased when the Volunteers are armed with the magazine rifle?—We are afraid, when the magazine rifle is issued to the Volunteers, that four-fifths of the still existing ranges will be closed for want of sufficient length behind the butts.

457. And you look upon it that the stopping of the roads is an absolute necessity for you to benefit by your emigration to Bisley?—It is quite a necessity for us.

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458. Mr. *Lyttelton.*] Do the Volunteers shoot there now at all at the present moment?—The Guards sometimes accommodate a regiment of Volunteers at Pirbright for their class firing. The Princess of Wales will fire the first shot next Saturday.

459. Therefore you admit that the present use of the paths by the public is sufficient to prevent your using the rifle range at all for shooting purposes?—No.

460. Why not?—I have been down there a great deal, and I have never seen any user of paths.

461. You have to take the powers of this Bill in order to enable you to shoot over those paths?—I am not sure that that Bill alone is absolutely necessary, because we shoot over Wimbledon Common.

462. I do not see that it is absolutely necessary that you should have this Bill if that is your view?—I say it is absolutely necessary that the common should not be walked over while we are firing.

463. And you admit that the common can be walked over now?—No.

464. You do not?—I do not; I only say it must not be.

Chairman.

465. You think there should be no doubt about it?—No, there should be no doubt about it.

466. Mr. *Lyttelton.*] Are you a surveyor or land valuer?—No.

467. Have you ever had any experience at all with regard to the valuation of estates?—Yes.

468. Where?—As a surveyor and land valuer.

469. I thought you said you were not a land valuer or surveyor?—I am not now; I was once.

470. Have you any knowledge of the value of houses at Wimbledon?—Yes.

471. Are you serious in saying that they have been enhanced in value by the camp?—I do not think I said so.

472. I understood you to say so?—I did not mean to convey that. I said the value existed before we went there.

473. And you did not enhance it in any way?—No; I do not think we have affected it either one way or the other at Wimbledon.

474. You spoke of cottages which were necessary for the troops; do you think a valuable building estate would be advantaged by the erection of cottages?—I do not think I mentioned the word "cottages."

475. You said cottages would be taken?—Lodgings, I said. I said hundreds of men go for lodgings in the neighbourhood.

476. Do you think that would enhance a valuable building residential estate?—They do not all go to cottages.

477. Do you think that would enhance the value of a valuable building residential estate?—You mean the erection of buildings.

478. Yes; or the letting out of lodgings?—Yes.

479. Are you serious in saying that?—Yes.

480. You think that an owner of a valuable residential property would get an advantage from letting his houses and lodgings to volunteers?—Property may be a valuable residential property for cottage property. I do not know exactly what you mean by a valuable residential property.

481. A valuable residential property of a high class; a surveyor should know what that means?—A valuable residential property, if it is large, must comprise houses of all classes. The rich will require people less rich to supply their needs, and so on, and cottages must be occupied by such people.

482. I do not know whether you have been in the room and heard Mr. Pain's estate described?—I do not know the estate.

483. Do you know what effect the Wimbledon range had on the value of the Duke of Cambridge's property at Wimbledon?—According to the price asked it put it up enormously.

484. What was the price?—The sum of a quarter of a million sterling was mentioned.

485. Do not you know as a matter of fact that property was depreciated?—No.

486. You must surely know that during the time the shooting was going on complaints were made that it amounted to an absolute nuisance?—Yes, certainly.

487. Do you think that that enhanced the value?—I do not say those complaints were well founded.

488. Sir *R. Wyatt.*] You have not been professionally employed as a surveyor?—No; I am here as a member of the council of the National Rifle Association.

Mr. *Shaw Lefevre.*

489. Did you examine the site before the National Rifle Association took it?—Yes; I know perfectly well the land we occupy there.

490. And the land beyond?—No; I do not know Mr. Pain's estate, only what one can see standing on the common, and looking at it from the high ground.

491. Before the National Rifle Association bought it, were you aware of that green road?—I would not say whether we were aware of it or not; some of our people may have been aware; I was not.

492. I understood you to say, before you bought it, that you had some negotiations with the War Office in regard to endeavouring to obtain consent for shutting up that road?—Certainly; but I do not know that it was that particular road that I now see marked on the plan. I could see the evidence of wheel tracks that might have meant roads used by people.

493. Besides that green one?—Yes.

494. That there were other paths and roads across than pink?—I can hardly call them paths or roads; they were all tracks, but there was nothing in the form of roads.

495. There were indications that there was a right of way where the public would go?—Or that carts went for cutting furze or heather. There was nothing to indicate to me an absolute right across open to all the public.

496. Surely, the National Rifle Association must have known of that green road before they bought their land and contemplated the erection of ranges?—I do not think that we knew that it was a public road.

497. Did not you know that it was a public road?—No.

498. Then

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Mr. *Shaw Lefevre*—continued.

498. Then what was the meaning of the negotiations with the War Office to shut up these roads?—We knew that the War Office would give us everything they could, and we also knew that it was common land, and that therefore there might be disputed roads and rights of way, but whether they were well-founded or not, we had no means of knowing; but we absolutely relied upon the War Office and its method of dealing with the whole of the property, to enable us to shoot at all.

499. Then I understand you to say that you considered it essential that these rights of way which existed should be suspended during the firing?—Yes.

500. And you think it is possible to suspend them during the firing?—Well, suspending them during the firing is such a very wide term; but firing might become a daily fire, like the firing of the troops in the lower parts.

501. You, yourself, have used the expression, during the firing?—Yes.

502. I suppose at Wimbledon you suspend the traffic across the common during the firing?—Yes.

503. You find that possible?—Yes.

504. And the public used the common during all the rest of the year?—Yes.

505. And I suppose on Sundays while the Volunteers were there?—Yes.

506. At any time except when the Volunteers were firing?—Yes.

507. And you found that quite possible and practicable and safe?—Yes.

508. Would not it be quite possible, practicable, and safe in this case merely to take power to suspend the traffic and the use of these footpaths during the firing?—At Wimbledon we were only tenants under a special Act of Parliament for a fortnight, with a limited time to put up an enclosure, and we kept people out of harm's way by that enclosure. When the firing ceased we opened our gates.

509. If I recollect rightly, the butts and firing took place outside the enclosure?—Oh, no; all inside. We had a physical fence round two-thirds of the distance, and the remainder was made good by a chain of police and sentries behind the butts, 1,000 yards below the butts, down in the neighbourhood of the Duke of Cambridge's property.

510. Still your own suggestion has been as I understood your evidence, that the use by the public of these footpaths should be suspended during the firing?—Yes.

Mr. *Rendel.*

511. What is the range at Wimbledon?—The greatest range we ever fired at at Wimbledon was about 1,000 yards, and there were about 1,300 or 1,400 yards behind the butts, a 1,000 yards of firing plateau, and about 1,400 yards behind.

512. Has it ever been computed what proportion of shots passed the butts and were expended in this 1,400 yards?—Shots have passed beyond the 1,400 yards. We know of a few. There is a difference of opinion as to how many have passed.

Mr. *Rendel*—continued.

513. Can you give me an idea per thousands?—I was one of the committee to inquire into the complaint of the Duke of Cambridge and his tenant, General Clifton, and after firing for 29 years we were only able to see the marks of two bullets. Of course many others may have gone beyond, but there were only two that left any visible trace of damage behind them; one struck a wooden fence, and the other a door.

514. That would be out of how many?—Out of many millions of rounds, because we had been firing there 30 years.

515. In your opinion the butts adequately stopped the bullets?—There is a large number of bullets that go over a butt, because they strike the ground first, and they get a very high deflection, what is commonly called a richochet.

516. Those bullets are not included in your computation of the two?—They go in a different way, rising very high in the air, their spin gets upset, and they fall vertically eventually.

517. Outside the 1,400 yards limit?—Yes; some of them beyond, no doubt.

518. The new range would give you a higher range from the firing-point to the butts, I presume?—From the firing-point to the butts we have extended to 1,100 yards for ordinary aim firing, careful scientific firing; but as field firing is shortly to be introduced as an exercise, we believe, we have to make provision for field firing, which is done by holding the rifle at a considerable elevation, without any regard to whether you have got your sight or not; unaimed firing.

519. Taking "field firing," you have increased the length of range by 1,000 yards, or propose to increase it?—Yes.

520. Do you propose to alter the character of the butts?—Not materially.

521. They would be of the same dimensions generally?—Because with modern arms we do not require larger butts, as we increase the distances for our firing owing to the trajectory being so much lower in modern arms.

522. As regards the space behind the butts, you propose to increase that from 1,400 yards to how much?—We propose to increase it so as to give us a total of 4,500 yards, or as near that as possible.

523. And you propose to add also, what you have never enjoyed before, field firing?—We expect that the Government will require us, as a condition of Volunteer service, to undertake field firing, and the National Rifle Association, in the exercise of its duty, consider they have to provide a terrain on which field firing can take place.

524. And these very important extensions of the facilities which you enjoyed for so many years at Wimbledon are what you look for in the large investments you have made in this purchase of the Bisley site?—Yes.

525. And you depend entirely upon the passing of this measure, and the friendly and favourable assistance of the War Office, for securing the advantages?—Undoubtedly.

Chairman.

526. Mr. Lefevre asked you whether the temporary suspension at Wimbledon were sufficient; Wimbledon did not belong to you did it?—No.

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Chairman—continued.

527. You are now shooting on ground which you have spent a considerable sum to acquire?—Yes.

528. And you left Wimbledon because the range was not sufficient behind the butts?—I think we moved from Wimbledon because the Duke of Cambridge practically forbade us going there any longer. He had power under the Act.

529. His property was rather endangered by it?—Yes.

530. At all events you left because you wished to secure a larger free space behind the butts?—Yes.

531. One object of your moving to Bisley would be entirely frustrated if you could not get that range?—Yes.

532. May I call your attention to one point to illustrate the difficulty of small paths crossing; you bought that green island in the middle of the pink?—Yes.

533. And there are one or two paths connected with that which were of importance to the farmer of whom you bought it?—Yes.

Chairman—continued.

534. Those paths now lead to land in your possession?—Yes.

535. And without this Bill you would be unable to extinguish them?—Yes; although they only lead to our own property.

536. They are on your own property, but you have not the power to extinguish them?—No.

537. And in addition to that you are at present camping over the site of those very paths; they go right through your camp?—Yes; I have a plan here, if it would facilitate the matter at all, to show you, how we have laid it out. (*The Witness explained the plan.*) All our firing practically converges to the extreme right of No. 2 road; the paths which exist down here would be useless.

538. They are practically of no use to the public?—Because they only communicate with the farm which we purchased for that very purpose.

Sir *W. Crossman.*

539. What did you give for it?—We gave over 50 years' purchase for some of the land.

Mr. Edward J. Halsey, Examined by the *Chairman.*

540. You are a County Councillor for one of the divisions which is concerned in this Bill, and you are a large owner of property in the neighbourhood?—I am an owner of property, and I represent a larger owner, my nephew.

541. You are the owner of Henley Park?—That is my nephew's property.

542. It is at the extremity of the blue line?—Yes.

543. You are acquainted with the whole neighbourhood?—I know every yard.

544. You are a member of the Guildford highway board?—I am only sitting as an *ex officio* member at the present moment, but I have been on the board for many years, and am in intimate relations with all the members of it.

545. You have attended a meeting of the inhabitants of Pirbright to discuss this Bill?—Yes.

546. You are in a position to speak of the wishes of the neighbourhood?—I can speak, I think, for the wishes of every person in the parish of Pirbright, and for the Guildford highway board.

547. You have considered all the points which have been before the Committee very closely?—I have considered all such points as concern the parish of Pirbright. The parish of Pirbright occupies a considerable portion north of the railway and the major part south of the railway.

548. Your objection to the Bill was to some extent with regard to a desire to preserve certain tracks on those right-hand pink islands in the map which you thought had not been properly marked?—One of my objections to the Bill was that whereas there was an agreement between the War Office and the parish of Pirbright with regard to tracks and roads and rights of way across the common, it had been, in my opinion, ignored in the Bill, but that I have reason to believe now is satisfactorily arranged. I cannot take upon myself to say that that map is exactly correct according to my views at this moment, because it requires one to study a great many of the paths; but upon a map which has been agreed by me all the paths of importance to owners or farmers or occupiers have been preserved; barring this large expanse of pink on this side.

Mr. *Shaw Lefevre.*

549. Will you point out where Henley Park is on the map?—*That* is Henley Park. There are four roads meeting at that point, Frimley and Guildford road and the Pirbright and Ash road.

Chairman.

550. It is understood between you and the War Department that these tracks were to be preserved, and to be marked brown on the map, signed by the Chairman, in accordance with the map you furnished to the War Office?—That is so.

551. Full information has been given by means of that map to the highway board of the course intended to be taken?—It has.

552. And that has been considered by the parish of Pirbright?—It has been considered by the parish of Pirbright, a meeting duly convened and held in the vestry-room, and it has been duly considered by the highway board by its committee appointed with power to act.

553. The road which it is proposed to close you regard as an important road?—I would point out to you that the lower road blue, divided in two portions, is a hard metal road maintained by the highway board. The branch road running north-east into Pirbright. The right-hand blue spur, the longer one of the two, is a sandy road which is not maintained by the highway board at all. It is a road which affords a certain amount of convenience, but it is not a highway board road.

554. It is an unmetalled road?—It is an unmetalled road.

555. The two spurs which lead eastward are both

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Chairman—continued.

both metal roads?—The one leading to Mitchet and the other leading to Frimley are both metal roads.

556. Do you consider that there is a very great deal of traffic between Frimley and Guildford?—No, very small.

557. And the divergence of a mile which is proposed though it would lead to some inconvenience, would not really lead to any large inconvenience?—No, I consider if road No. 3 is properly engineered and properly made it will on the whole be a more convenient road than the one you propose to close. The one you propose to close is an exceedingly bad road for horses. It is a very rough road against the collar. Of course it is with the collar for a part of the way, but being such a rough road it does not help very much. It is a bad road and always has been a bad road ever since I can remember it. It was originally made by the owner of Henley Park 120 years ago, for the purpose of connecting with the canal; and in my boyish days all our coals used to come from that canal by that road. I think beyond that traffic there was very little else except a few brewer's vans and the doctor's gig, now and then. Of course there is more traffic now.

558. In your opinion road No. 3 might be made more than an efficient substitute for the road that is closed?—Not road No. 3 by itself. I say if you will make roads Nos. 4 and 3, then I consider that the neighbourhood will benefit. Perhaps I had better explain why I think so. *There* is road No. 4 running from the parish of Frimley alongside the railway, a direct line to Brookwood Station. This road at the present moment is the only one by which the Frimley people go, and by this the Frimley people can go easterly. If this road is made up there is a little road adjoining it *there*.

559. You attach considerable importance to road No. 4, shown on the plan?—I would say plainly, as far as the village of Pirbright is concerned, if roads Nos. 3 and 4 are made, we consider that we have got the best of the bargain. I think that is the most honest way of putting it.

560. And the village of Frimley you would assume also getting a capital access by road No. 4 to the station would, if that road were made, obtain also a great advantage?—Oh, undoubtedly.

561. And their communication with Guildford would then be practically as direct as at present?—I suppose by road No. 4 the distance from Frimley proper to Guildford is, as a matter of fact, as short if not a little shorter; but the difference in distance is small from the parish of Guildford from the further part up above north of the railway.

562. As regards No. 3, which is shown on the plan as diverging after it reaches to its highest point, rather eastward, do you prefer that road, or the extension of it shown as No. 6?—I prefer road No. 6, for the simple reason that the continuation of road No. 3 on the easterly side leads into a very narrow lane where only one carriage can go.

563. You think that piece might not be made?—If you lengthen road No. 3, you would have

Chairman—continued.

to buy property. If you make a good road I do not suppose there is 300 yards difference, and that dotted blue crossing the pink there, is already a road.

564. Only it is a small one?—Only it is a small one.

565. And you would on the whole prefer to have the upper piece made as more efficient?—I should think certainly, more especially for War Office purposes, and it is better.

566. And if that were so the Guildford highway board would be quite willing to keep up the road?—Provided you give up the other roads.

567. That other road you would not want to keep open at the same time as that road?—I have distinctly asked that there should be a clause in the Bill releasing the Guildford highway board from maintaining that road. If you are going to make two new roads, you cannot expect the Guildford highway board to maintain the other. Knowing the position as accurately as I do, I say the inconvenience of closing that road absolutely, is exceedingly small, and you may allow me to press again on behalf of the highway board. I am representing them; for they specially instructed me to urge that they should be released from all liability in respect of that road if they are asked to take over the other roads.

Mr. *Shaw Lefevre.*

568. Released from liability in respect to which road?—With regard to this lower road, the road which is proposed to be closed.

Chairman.

569. In point of fact, to put it plainly, they are very glad to take over roads No. 3 and 4?—So far as they have power to insist, they insist on not being obliged to maintain that road, if the other two are handed over to them.

570. Because they consider the requirements of the community will be fully met by the other two?—Yes.

571. With regard to Mr. Murray, does his business call him very much in your direction in any way?—I am afraid I cannot answer that, but I should think he does not drive over that road every day.

572. He does not go to Guildford as his station; he does not pass your gate at Henley Park?—He may like to drive there. It is very pretty. But I admit that Henley Park and Mitchet and the immediate neighbourhood of Henley Park, which is very sparsely populated, are the two places which are most inconvenienced by the doing away with that blue road.

573. You are living at Pirbright at this moment?—No; my house at Pirbright is at present let.

574. Would Brookwood be improved as a station in your opinion by the National Rifle Association going there?—I should not like to say it would be improved, it would be enlarged. You are not going to ask me as a resident of Pirbright, to say that I am receiving the Rifle Association with any pleasure, because I am not.

575. At the same time you sold them a little land, did not you?—Yes, my nephew did at a very

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Chairman.—continued.

very low price. They could not have established themselves there if it had not been for the land we sold them.

576. You took a patriotic view?—We took 50 *l.* per acre. You can judge for yourself. That was part of the green land up there.

577. I may take it that having looked most carefully upon the tracks which are to be closed, in your opinion you have preserved all those by your agreement which the parish of Pirbright attach importance to?—I have, subject to the map being a copy of the one I agreed with you.

578. Curzon Bridge, that is not an old right of way, is it?—It is not an old right of way.

579. You have some personal recollection, have you not?—Curzon Bridges, in my father's life-time were always kept locked by him, and he gave the key only to those who used the common for cutting turf.

580. Did your father die some short time ago?—My father died six or seven years ago.

Examined by Mr. *Lyttelton.*

581. You speak for Pirbright and for the highway board of Guildford?—I do.

582. You have no official connection or other connection I suppose with Frimley?—I have none except that of a neighbour.

583. What is the population of Pirbright?—One thousand I am told. I am talking now, of course, of Pirbright without the army; there are 2,000 Guards there at the present moment I believe.

584. By this Bill road No. 3 is substituted for those two roads?—That was the original proposal of the Act.

585. As regards the Guildford highway board, what amount of new road, supposing No. 3 is constructed, would they have to maintain. What is the mileage they would have to maintain as compared with what they now have to maintain?—No. 3 road is not so long.

586. There is no obligation in the Bill to make that road in any particular way engineering or otherwise?—There is no obligation as far as I know except the width.

587. Is there any obligation to make road No. 4 at all?—There is no obligation in the Bill so far as I know.

588. You sold a small portion of your land to the National Rifle Association?—The whole of the pink was originally sold by my father to the War Office, and quite recently my nephew, who is now the owner of the property, sold a farm in that green island there, and some of the other parts that are marked green.

589. That is to say, the sale of the whole took place in 1878?—The sale of the pink.

590. Your father then sold his manorial rights?—Yes, and the commoners sold theirs. I was chairman of the committee of the commoners.

591. It was not proposed then to take anything without compensation?—There was a clause specially in the agreement between the War Office and the commoners.

592. As to compensation?—Not that we should be compensated, but that nothing should be closed without our consent.

Examined by Sir *Richard Wyatt.*

593. From your great knowledge of the district, I should be glad if you will tell me whether you share the opinion of a number of the witnesses, that a straight road from No. 3 through to Mitchet Bridge would be an advantage to the district; you heard the evidence of Sir Redvers Buller?—I did; I think it will be a great addition to the convenience of the neighbourhood, and a great advantage to Mitchet House.

Chairman.

594. Would you rather have that little addition made, or No. 4 road?—Why, road No. 4, of course. I think Sir Richard Wyatt's demand on the Committee for that road that he is suggesting, is an exceedingly right and proper one, but as for saying it is an advantage to any great number of the population, I cannot say that.

Mr. *Shaw Lefevre.*

595. Was there a public meeting at Pirbright?—There was a vestry meeting duly convened and held for the purpose, and we got up a certain amount of excitement upon it, because I confess a month ago I was exceedingly indignant with this Bill, and I took, and the Chairman of the Committee will probably confirm this, a very active part in the matter. I considered we had not had sufficient notice, and that sufficient consideration had not been given to our wants and requirements.

596. Have those all been met?—As far as the parish of Pirbright, I consider they have all been met.

597. What has been done for the parish of Pirbright?—We are promised road No. 4, and that all the tracks which are marked brown in a certain map, crossing the common and going to all the farm fields; all those that are used as short cuts (I am now on the right hand side of the map), by which poor people walk home or backwards and forwards, are all to be kept open. The parish have agreed with me that we had no right to ask for tracks to be kept open, which were tracks more of pleasure that anything else, because we felt that there was a very great necessity for this range, and because we felt if we got a road No. 4, such as is upon that map, we had got our *quid pro quo.*

598. I suppose Pirbright is not very much interested in these tracks on the main portion?—It is; it is more interested than anybody else; much more interested than other people. The tracks upon that have been our pleasure grounds; have always been so. We have always been allowed a free passage over them. A great many of them which are marked upon the map are such as it would be impossible to maintain any legal right to. A great many could be maintained, but a great many of them are merely tracks of turf carts, and so on. But on that side, *i.e.*, the western side, there is no material advantage taken away from us.

599. I understand by the Bill that it is proposed to take power to suspend those tracks in the first instance?—I understand from the Bill that all tracks that are not marked brown may be suspended, but that all tracks that are marked brown are not to be suspended at all; that is howI understand the Bill.

600. By

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Mr. *Shaw Lefevre*—continued.

600. By suspended, you mean suspended during firing?—Yes.

601. But there is a further clause given to shut them up absolutely?—Quite so, and that is why I have taken care to mark with brown everything that I think we could possibly require in reason, and I think if anybody else requires anything that is not marked brown it would be perfectly fair to direct him to go either to the Board of Agriculture or the Enclosure Commissioners. They could not stop them up without consent or without reference to the Enclosure Commissioners, and then we would be bound by what the Enclosure Commissioners laid down. I am talking about an especial agreement made with the parish. I inserted a clause by which none of our tracks should be interfered with except by consent; and if consent could not be obtained, then by an award of the Enclosure Commissioners.

602. Is there not that power under the law as it now stands?—No; it was under a distinct agreement with the War Office when they purchased from us. It was one of the conditions I laid down arranging the matter. I said, you must leave all our rights of way and tracks open; we will not have them interfered with. They said "We will do so as far as we can; but if we find it absolutely necessary that we should interfere with them, we will either obtain your consent or we will go to the Enclosure Commissioners." To that we agreed.

603. Did they get an Act of Parliament for that?—No.

604. Had the Enclosure Commissioners any power to shut up a road or footpath?—I cannot answer that.

605. Is not that the law that the Enclosure Commissioners can have no power to shut up a footway?—Of course, it would only give them whatever power they had as buying the fee-simple. They bought the whole thing. They bought the lords' rights and the commons' rights.

606. That fee-simple was burdened with certain easements or rights of way?—Quite so.

607. Then you got an understanding with the War Office that they were not to interfere with those rights of way without your consent?—Quite so.

608. I suppose any single person might have objected. The consent of everybody would be necessary. A right of way cannot be got rid of, can it, by a majority?—No. It was no business of mine at that time to consider that; I wanted to make it quite clear between the War Office and ourselves that they were not to shut up anything without our consent.

Mr. *Shaw Lefevre*—continued.

Chairman.

609. At all events all those tracks which you considered important have now been regarded?—We have protected all our farms, all our fields, and practically all our short cuts.

Mr. *Kendel.*

610. You secured, for the benefit of the neighbourhood, in 1878, all the then rights of way?—Yes.

611. You are now personally, and with the authority of a meeting of the inhabitants duly summoned, willing to modify your views to the extent of this Bill?—To the extent of this Bill, with the modifications that I have alluded to.

612. On the terms agreed upon?—Yes.

613. And you are now acting, in the surrender, with the same consent upon which you acted in 1878, when you secured the interests of the neighbourhood?—Not quite the same, because in 1878 I was acting as a chairman of committee of commoners under the Lands Clauses Act; and now I am acting only as representative of a vestry meeting of a parish.

614. Then there are certain persons who were protected under your prior action, and whose interests are now touched without their assents being obtained?—Of course it would be impossible to get the same personal consents now that we obtained in 1878. The committee of commoners was the representative of the parish in those days. The vestry is the representative of the parish to-day, because the committee of commoners no longer exists, and could not be formed again legally for this particular purpose.

615. Then you are satisfied individually that you are obtaining some authority for the release that you originally obtained?—I am.

616. You are not concerned, are you, in protecting any rights of way existing to the north of the line?—Yes, one across from Mainstone Corner, that is to say, it is within the parish of Pirbright, right across the pink.

617. Do that right of way, all that you have said on behalf of the parish of Pirbright applies?—Yes.

618. But not to any other rights of way that may exist?—No.

Mr. JAMES SIMMONS, called in; and Examined.

Chairman.

619. YOU are Chairman of the Farnham Highway Board?—Yes.

620. And a county councellor?—Yes.

621. You thoroughly know this neighbourhood?—Yes, I know it fairly well as far as the roads are concerned.

622. Your interests in the Farnham highway board mainly lie to the left of the pink line, do they not. It is not an exact line, but mainly to the left?—Mainly in that direction.

623. And you are aware of the tracks which it is proposed to shut up, and of the roads it is proposed to make?—Yes.

Chairman—continued.

624. Your highway board have had a meeting for the purpose of discussing the question, have they not?—Yes.

625. And you have had a deputation to the War Office to consider various points which were raised by the highway board?—Yes.

626. In addition to the roads proposed to be made by the Bill, you brought forward one or two roads, have you not, which you thought the

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Chairman—continued.

War Office might be called upon to make upon?—Yes.

627. Will you tell the Committee what the first of those roads was on the northern side?—In connection with No. 2, at the top of the map, there is a road runs from there down to Frimley Grove; now that will be the principal road from the Frimley district over these hills, and that road was formed and what they call laid out, but it is not properly metalled all the way down; we ask that to be metalled and properly laid.

628. In which case you will take it over?—In which case we will take it over, after the usual term, the 12 months. There has been something said, I do not know whether it would have any particular effect, with regard to the expense of metalling that road. I do not agree with the figures of Major Waller, that it will cost the money that he said. I think it will be nearer 300*l.* than 900*l.* I am not speaking of any royalty on the gravel; they have the gravel on the spot; but I speak of the digging and putting up of that road, and I think 300*l.* or 400*l.* would do it very well.

629. Then there is a road, is there not, from Deep Cut Bridge to Colony Gate, which was in the occupation of Mr. Pain, which was made by Mr. Pain on his land?—You mean not taken over by the highway board?

630. Yes?—Yes, there is a road there.

631. That was made by Mr. Pain to develop his own property?—Yes.

632. And there is not sufficient traffic at the present moment to necessitate the highway board taking it over?—It was put to the highway board whether they would take that over, and they came to the conclusion, at the present time, that there was not sufficient traffic to authorise them to go to the expense of it. There are houses building there, and when they are inhabited and others are built it will be another question.

633. But in fact, at this moment, all traffic arriving at Colony Gate is carried over an unmetalled road, either into Heatherside or across the Common?—No; there is one metalled road up from Frimley which goes up to Colony Gate.

634. That arises at Colony Gate?—And we have taken that.

635. I meant the continuation of the road, the green road and the red, along the pink, running right up to the new road. Both of those are in metal, are they not?—Yes.

636. Consequently you do not see the necessity of putting a metalled road there at this moment?—No, not at the present moment; but then I say in the future that, in all probability, that will have to be done, and then, on account of the general re-arrangements of the road, we say we ought not to have that thrown upon us as a highway board.

637. You think that ought to be done by the War Office; that portion between the two green roads?—Yes, that is called the Maltway-road, I think.

638. That is, if you ever have to take over, as a highway board, the Deep cut Bridge to Colony Gate?—Yes, most decidedly. My board are very strong upon that point.

639. Then coming below the canal, you attach great importance, do you not, for the benefit of the whole neighbourhood, to the making of a road from Deep Cut Bridge towards Brookwood?—Yes.

640. And your board, if that were made, would be ready to take over their portion of road?—Yes, in due time, the usual time, within 12 months.

641. And having regard to those proposals which you have made, if these could be gratified, you think that, as far as roads are concerned, a very fair *quid pro quo* would be given to the district for anything they have lost?—Quite as far as you could expect under the circumstances.

642. Having regard to the public purposes for which they have to be closed?—Yes.

643. You thoroughly discussed this matter out did not you?—Yes.

644. Mr. Pain's counsel asked the question whether he had not extinquished all the rights over his land in 1826. Is that quite consistent with his asking you to take over that road as an awarded road. That was a right of the public over his road was it not?—That road that he has made was an award road.

645. Yes, exactly; therefore there was at all events that right to the public?—Yes.

646. Is it not your opinion that there are other tracks over that land belonging to Mr. Pain?—I should imagine so, I would rather not go into detail.

647. But at all events if these roads you have indicated could be made; that is to say, a road from Frimley Gate to Heather side and from Deep Cut Bridge to Colony point, and if you felt assured that in the event of your having to take over Mr. Pain's road a connection between that and the new road would then be made by the War Department you would be thoroughly satisfied?—We should be satisfied we have an opinion with regard to that road from Mitchett over the hill.

648. What is your opinion?—Our opinion is, at least it is stated that we propose that there should be a cut across there to join the blue dotted line. Well that was a mistake. What we wished to imply was, that we considered it would be a very great benefit to the public that there should be a road made over there to join the road up there, across the tunnel; on what they call the tunnel hill. We purposely did not wish to express any opinion as to the details of the tracks. We knew very well that Mr. Murray had employed counsel with regard to that very point.

649. You left it to them?—Yes.

650. Is there anything else you would like to tell the Committee?—I should like to say a word about metal. In these alterations, and the roads that we shall have to take to eventually, and also with regard to the alterations one way or the other, it is of very great importance to us that we should have the right to dig the gravel upon certain spots.

651. You have met one of the officers of the War Department about it?—Yes. We do not wish to specify at the present time; at least, we hardly see how we can specify any very narrow space, but within a certain area, between two points

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Chairman—continued.

points which perhaps can be marked out; one of which is by the tunnel, and another up at the top by No. 2, there. Now those two points are of very great importance to us. Although the country there is very full of gravel and metal, we are very much put to it for metal, because formerly it was open common, and we dug where we chose, but now it has all become private property, the property of the War Office, and one thing and another; and it is of very great importance to us that we should be able to dig gravel upon certain spots.

652. And if you can get that undertaking to dig gravel, you think it will be a great benefit to the neighbourhood and to the highway board?—Most decidedly. Then I should like to express an opinion upon this point. A good deal has been said about these roads that are closed marked blue, that they should be kept open at certain times. If those roads were kept open we should be liable to the repair of those roads, and also would have to repair those other roads besides. That would increase our liability very considerably. We do not fall in with that.

653. There would be more accommodation than you think the public would require under the circumstances, and you could not be justified in spending so much money?—Certainly not, and it would not only increase our expenses, but there would be obligations which, I think, would very likely be detrimental to our board.

654. I may take it if you had road No. 3 and No. 4, you would not want to keep open the road below?—No; on account of the expense.

655. Mr. *Lyttelton.*] Frimley is about eight miles to the south?—Ten miles.

656. And you live 20 miles away?—Yes.

657. I suppose with the exception of discussing this question as to taking over the road with Mr. Pain, you have no interest in Mr. Pain's estate?—None whatever; I merely appear here as chairman of the board.

658. And have no knowledge of it?—No.

659. Sir *R. Wyatt.*] I understood you to say that the road, I am now speaking of Mitchet, that the road which your board thought would be of great advantage over that indicated by Sir Redvers Buller, namely, to go higher up in that direction instead of to meet the junction of the blue line with the existing old line?—Quite so.

660. And you have the opinion of all the other witnesses that the construction of a straight road across there would be a public advantage?—A very considerable public advantage.

661. And that was so decided at the meeting of your board?—Yes, quite so.

662. Only one other question. I suppose, by the making of that road, the two sides of the triangle, which is the shape of the existing road, would be closed, and the expense of repairing it, which is somewhat heavy, would be spared?—Yes. We recommend that upon the understanding that that angular road round by Mitchet, and round there, should be closed, because we do not want to have the expense of that.

663. Then you are, as I said before, of the opinion of all the other witnesses, that it is a desirable thing to make that road, and to close the old road?—Quite so. There is a considerable population there which would benefit by it.

664. Your knowledge of that locality enables you to speak more decidedly than Mr. Halsey as to the population. There is a very considerable traffic, is there not, from Frimley and other places over that road?—Yes; it is considerable. That will be increased by the opening of this No. 3 road.

665. And the extension of it to Mitchet Bridge?—Exactly.

General SMYTHE, called in; and Examined.

Chairman.

666. YOU are a County Councillor for the Frimley district?—Yes.

667. And a member of the Farnham Highway Board?—Yes.

668. You have heard the evidence which has been given by Mr. Simmons, and I believe you generally concur with it, do you?—I generally do.

669. Will you tell the Committee any points which you think necessary?—I think, as a representative of the Frimley district, that it is absolutely incumbent that this Committee should recommend that the road from the Deep Cut Bridge to the Heatherside nurseries be a metal road the whole way, and then the population on each side and towards Camberly, which is the further end of Frimley, would have a direct communication with the Deep Cut Bridge, and, thereby, to the Brookwood Station.

670. You mean, you think, Mr. Pain should complete his road for the development of his property?—I have been very strongly of opinion

Chairman—continued.

that that road from Deep Cut Bridge to Colony End, should have been taken over by the highway board about a year ago.

671. But your colleagues do not agree?—My colleagues do not belong to Frimley, and they do not think it necessary.

672. But if that were done, if that were taken over by the highway board, you think from Colony End to Heatherside ought to be made by the War Department?—By the War Department; and I may add now that the people that made the road from a point there, near the Grove to Colony End, and Mr. Pain making it from Colony End to Deep Cut Bridge, were under the almost certainty of having the Chobham authorities making the road from Chobham to Colony End, and that the Chobham authorities and the Frimley authorities would then make the road that it is proposed to have metalled by the War Department now from Colony End to the Heatherside nurseries.

673. You take advantage of this Bill of generally developing the district?—Yes, and I am the representative

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Chairman—continued.

representative of the district. It would increase the property there, I consider.

674. Mr. Pain's property has improved in value a good deal already, despite the shooting, has it not?—I cannot say about that, but I think the end near Colony End will decidedly be increased in value if these roads are made.

675. Then from Deep Cut Bridge you attach great importance, do you not, in the Frimley interest, to having that road now marked No. 4 on the plan from Deep Cut Bridge?—Most certainly, to the Frimley district, because then the shopkeepers in Frimley Green would be in constant communication with the two camps, the Guards Camp and the National Rifle Association Camp.

676. You anticipate some revenue to them from the camps?—Yes; I consider that there will be some extra highway rate perhaps, but it will be amply repaid to the highway board by the increased rateable value of the parish of Frimley.

677. And the private residences would get an advantage in their access to Brookwood Station?—Yes, decidedly.

678. Which is a good station, is it not?—It is a very good station indeed.

679. Much better than Farnborough?—I do not say that, because here are some very quick express trains from Farnborough Station.

680. Still you get a second line from Brookwood Station by the Aldershot line?—Yes.

681. At all events, in your opinion, if the amendments were made which you have hinted at or described, you consider that the views of the locality would be fairly met?—Fully met.

682. And that they had not reason to complain of the Bill being brought in?—I consider if these measures are carried out, that the public will be advantaged by the passage of the Bill.

Mr. *Simmons.*] May I ask one question with regard to the gradients or the new roads that are to be made; whether it is an acknowledged thing that they will not be beyond one in a hundred.

Witness.] I am almost certain Major Waller said one in 20.

683. Mr. *Lyttelton.*] What distance is Frimley from the proposed camp?—Which part of Frimley.

684. Frimley-street?—Frimley-street is some way off, but Frimley Green is not above two miles from the camp.

685. Frimley-street?—Frimley Green.

686. How far is Frimley-street?—Frimley-street is a mile and a quarter further.

687. Do you know what the rateable value of the parish is?—£. 32,000.

688. You anticipate an increase in the rateable value?—Well, I have lived there for 22 years, and it has increased from 16,000 *l.* to 32,000. *l.*

689. I suppose you look upon the advance of the military with a good deal of favour?—No, I do not, indeed; for though I am an old soldier I think it will be an advantage to people, but not to private individuals.

690. You think some of the people will benefit?—The farmers and the shopkeepers decidedly.

691. But you do not think it will be an advantage to private owners?—No.

692. Sir *R. Wyatt.*] I believe you were present at a meeting of the highway board when the Government scheme was under consideration?—Yes.

693. And I am instructed it was on your motion the following resolution was passed as to road No. 3 on the plan; that the department be asked to make a straight road from Mitchet Canal Bridge to the point at which No. 3 starts?—It was. I have always been strongly of opinion that that would be the best thing to do, and that the highway board should make one road and give up the right angle.

694. In a word, you share the opinion of all the witnesses that have appeared here to-day, that it will be greatly to the interest of the public that that road should be made?—Yes.

Chairman.] We propose to hear Mr. Pain's petition first next time, and then any remarks there may be on the other petition.

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Thursday, 10*th July* 1890.

MEMBERS PRESENT:

Mr. Brodrick.
Mr. Conybeare.
Sir William Crossman.
Mr. Edwards-Moss.
Sir Edward Hamley.
Mr. Shaw Lefevre.
Mr. Stuart Rendel.

MR. BRODRICK, IN THE CHAIR.

Mr. *Lyttelton* was heard to open the Case on behalf of the Petitioners, Messrs. Pain.

Mr. ARTHUR PAIN, Examined by the Honourable *Alfred Lyttelton*.

695. YOU are the son of Mr. Edward Pain, who is a very old gentleman, nearly 90, I believe?—Yes, he is 87.

696. He is the owner of the Wykeham Park estate?—Yes. I will show the Committee a plan of the estate. The lands coloured yellow on this map form the Wykeham Park estate. I may say this to the Members of the Committee, who do not, perhaps, know the ground, that this is a great range of hills; the Bagshot Sands with the Chobham ridges on the east, and the Frimley ridges on the west. The bulk of this estate lies west and falls away to the river Blackwater, and this property of the War Department falls away to the river Wey.

697. There is a considerable hill between you and the War Department?—There is no hill between us and the War Department. We are on the highest point, about 350 feet above the sea. It slightly falls away towards the Government land. *This* is the Deepcut Bridge road that was referred to, Sir, from Deepcut Bridge over the railway and canal, and going due north to Colony Gate. *That* is the award road of 1826. The whole of this land was enclosed under that award; these open lands.

698. That was in the year 1826?—That was in the year 1826. This estate is partly pine woods, and partly cultivated ground, and partly open heath land, with fine undulating hills, and an exceedingly beautiful spot for residencies.

699. What is the acreage of it?—In round figures 900 acres.

700. What is the acreage of the bit *here* belonging to the War Office?—I cannot, I am sorry to say, give you the bit north of the railway, but the whole area is about eleven square miles of the country; the whole area shown by the pink, practically. This estate was purchased by my father about 1852, and it will be in the recollection no doubt of the Committee that Aldershot at that time did not exist. The Crimean War was in 1854–56, and it was then that the lands at Aldershot were purchased. Therefore, the suggestion, as I understood it, of the learned counsel, that my father purchased this with a view of having his property improved by the camp, is not quite correct. As a matter of fact, his is an older title than any of the War Department lands in this neighbourhood.

701. Now, since 1852, you and your brothers, I think, have built residences upon the estate?—Yes, in recent years; in fact, I may say since 1882 many thousands of pounds have been expended on this estate in making roads and other residences, and about six years ago I went there myself to reside, and have resided there since.

702. What were you attracted there by in great measure?—Oh, for the sake of myself and my family; I went down to live there, and I travel up and down every day backwards and forwards to London.

Chairman.

703. Which station do you use?—I use Frimley station sometimes, but sometimes I go to Brookwood. If it is fine weather I get out at Brookwood, and go right across these commons to my house; and at all days when I can manage it I go with my sons over this range of commons; there are about 70 miles of tracks and roads. I should like, if I may, to point out to the Committee that we have three private gates, and I can speak of as far back as 1856.

704. Is this a very desirable spot as a private residence?—I have sat on the assessment committee of the Farnham Union for some years, and it is astonishing the rapidity with which this heath land is becoming developed for the building of residences of a first class nature, due to the spread of London, the pulling down of properties, and the tendency of people to go outwards. This map does not convey, and that map still less, anything like the growth that has taken place down here on this great range of hills facing south-west.

705. You said that the estate has improved in value since 1852 very largely?—Oh, clearly.

706. To what do you attribute that improvement in value?—I attribute it to a very large extent, as I just mentioned to the Committee, to the growth of London forcing people to go out, and the facilities given by the railways for getting out of London. Of course I have had very considerable experience before Committees of this House for the past 20 years, having been

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Chairman—continued.

connected with all sorts of schemes in London; and the tendency is to go outwards.

707. That tendency was first shown, I believe, at Wimbledon?—Yes.

708. And then it has extended to Weybridge, has it not?—Yes; they are getting 1,000*l.* an acre for land in Weybridge, only a short distance off.

709. It is extending to the property which you own?—Yes, this way and beyond; and there is no doubt that this great range of commons has been what is termed in Scotland an amenity; the facility with which you can ride and drive over this country.

710. It has been suggested that the residences upon this property of yours will be enhanced in value by the fact of the camp being there; do you agree with that in any degree?—I am quite prepared to admit that the Bisley Camp *quâ* Bisley Camp must rather tend to increase the growth round this neighbourhood; but inasmuch as the Bill cuts off every access that we have got to this promised land, I cannot see that the establishment of this camp can benefit our estate. On the contrary.

711. Now you have known the property intimately, I believe, for very many years; 30 years or more?—Yes; I first remember it in 1856. That is when first I went there. I can speak with regard to a very considerable space of time from my own personal knowledge.

712. The road spoken of at Colony Gate would be an award road, and is, I believe, a public road?—Yes, an award road.

713. In addition to that, there are also three private gateways leading out of your estate?—There are.

714. What are they?—There is one at Mainstone; there is another at the top *here*; and and another at Pirbright. Those are gates on our embankments bounding our property; and, speaking since 1856, we have had the use, to my own personal knowledge, of a way out of those gates; and we have used, whenever we chose, and without interruption, the ways over this common.

715. You have used one of them at any rate sometimes for driving along?—Oh, yes. It is quite a mistake to suppose that these tracks are grown over.

Mr. *Shaw Lefevre.*

716. Are there any public footpaths crossing your land?—No, there are no public footpaths east of that road, the Deep Cut Bridge-road. From *there* to *there* is Sir Gabriel Goldney's property, and, as far as I am aware, there are no public ways there. Under the Enclosure Act there were two award roads, called the Bisley and Chobham roads; *this* is the main Chobham road, and *this* is the Bisley road which goes up there. Those were set out under the award for the convenience of those two places. Then, in addition to that, under the same Enclosure award, there was a distance of 20 feet allotted parallel with the property of Sir Gabriel Goldney, and was kept inside the parish boundary; and the intention was, as was done here, to make a 40-foot road. This is the "Jolly Farmer" on

Mr. *Shaw Lefevre*—continued.

the top of Bagshot Hill, and the intention was to make a continuous line of thoroughfare four miles long, from the "Jolly Farmer" there to Windmill Hill on the Guildford road.

717. Has that not been made?—It has not been made. It is a passable track with a carriage. It has not been made, because the intention being that Frimley should award 20 feet on this side, and Chobham should award 20 feet on that side.

718. Then there is only 20 feet?—Only 20 feet, and that was thoroughly recognised in 1882. The Government at the time agreed to make that a 40-foot road.

719. Mr. *Lyttelton.*] It has been suggested that the stopping up of the access by the public on the east side of that award road would be a benefit to your estate; what do you say as to that?—I cannot conceive that it could possibly be so, as a practical man. As regards the public, I may say with regard to these roads that if the road authorities will take over these roads we will dedicate them to the public.

Mr. *Shaw Lefevre.*

720. Is there a public right of way *here*?—Clearly.

721. It is not broad enough to make a road?—It is 20 feet wide. I should also explain to the Committee that the actual existing track by which you would drive, or walk, or ride along there is actually on the Government land; is not on the 20 feet of the Frimley, but is actually on Government land; and, therefore, if under this Bill power is taken to close that, we should have to make that 20-foot road there as a nasty little narrow piece joining roads four miles long and 40 feet wide.

722. Mr. *Lyttelton.*] It is suggested that it would be a compensation to you that the public should be prevented from access on the east along that road; you have given us your view as to that?—It is a building estate, and clearly the public must use it. The people who are on our estate would be the public.

723. You say so far from your desiring that the public should not have access, if you are fairly met by the War Office in this matter, you would be perfectly prepared to dedicate the Mainstone Gate road to the public?—Yes, directly that is taken over by the highway authority. We only say that if it is taken over in the interest of the public, it should be maintained by the public. We are prepared to dedicate it.

724. Now I understood Major Waller to say in the witness-box on Monday, that you would derive an advantage from the fact that, there being an existing right-of-way through their estate, that existing right-of-way would be rendered perfectly useless for the public by the proposed measures.

Chairman.] I understood Major Waller differently. I understood him, and I think the Committee must have understood him, to speak in reference to those tracks going across the common which must lead to somewhere, that it had been

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been the custom for the public to continue from those tracks across Messrs. Pain's estate, and that in future they would not be able to do so.

725. Mr. *Lyttelton.*] You have the notes of the evidence, but I certainly did not understand him to say anything of the kind. (To the *Witness.*) There is no right-of-way at all to the public through your estate, other than through the Colony Gate road?—No, and my experience is since 1856. I am not aware that anybody ever claimed a right-of-way, except that the War Department have gone through there with troops, and my father has told me (if I may be permitted to say so), that he has over and over again written to the War Office and given notice of the boundaries of his estate, and I believe it has been practically admitted that there is no right-of-way to Mainstone Gate.

726. And he has actually received, to your knowledge, apologies from the War Office?—Yes.

Chairman.] What Major Waller said on the point is at Question 239.

727. Mr. *Lyttelton.*] There is no right-of-way over your property through the Mainstone track at all?—None.

728. I repeat again, if you are fairly met in your proposals, you would be perfectly willing to dedicate that way to the public?—Yes, distinctly.

729. Can you tell us the mileage of the tracks which it is proposed to close by the Bill?—I have not taken it out south; but north of the railway, which more immediately affects our estate; there are 70 miles of roads and tracks, all of which you can go over, ride over, or do whatever you like.

730. Have you taken out some distances from those three gates of your estate?—Yes. Of course this touches on the access to Bisley from these gates. I find that from Colony Gate at the present time to Bisley Green, which comes across *here* by the existing track, it is 2 miles 5 furlongs. If the powers proposed under the Bill are given we should be, even under the best of circumstances, forced over *this* track and round *here*, and that would be 4 miles 5 furlongs; so that we should be damnified to the extent of two miles, and the promised land, which I speak of here at Bisley, to which we have now a direct access, would be two miles further away.

Sir *Edward Hamley.*

731. What is the value of Bisley as a point of access?—I was merely speaking upon the question raised as to the immense advantage of Bisley to our estate. I have taken the measurements as fairly as I can. I have measured the distance from Colony Gate to Bisley by the present route, and I tell the Committee it is 2 miles 5 furlongs. I have taken the shortest route, namely, this round *here*, which is shorter than down *here*, and that is 4 miles 5 furlongs, and I assume, of course, we should go by the shortest route to Bisley.

Sir *William Crossman.*

732. What is the population of Bisley?—Comparatively small.

Mr. *Shaw Lefevre.*

733. What you are saying is on the supposition that this road is made *here*?—Yes.

734. There is no provision in the Bill as to that?—No, there is not.

Sir *William Crossman.*

735. Why are you so anxious to get to Bisley?—I am not in the least anxious to get to Bisley.

Mr. *Shaw Lefevre.*

736. There is considerable traffic across the heath now?—This traffic is on one of the roads carried round from Colony Gate.

737. Do you know the number of people using it?—I should think that last year when they were constructing these butts, there were 1,500 men, and the whole of the supplies came over this road.

738. Where were they supplied from?—They were supplied from the camp and came along the Bisley road. That was the most direct way.

739. The supplies go to the camp in that way?—They did from Aldershot Camp. They all came up in this way, and were all supplied by that road, which we call the Bisley-road.

740. And at the time the volunteers are there I suppose the same thing would apply?—Yes.

Sir *William Crossman.*

741. In fact it was military traffic?—It was military traffic last year, and we, having made the road, knew what it was.

742. What is the ordinary traffic?—Not large; but still there is a constant traffic by the residents of Frimley.

743. Still it is an unmetalled road?—Yes.

Sir *Edward Hamley.*

744. What is the specific damage you apprehend from the Government Bill?—The specific damage, I take it, is this: that we have the right all over this district, at the present time, to ride, and drive, and walk over it, and, if you cut off that access, it is clearly a damnification, because you cut off all our access on one side of the estate.

745. You are speaking of having a right over Government land?—Yes, we drive there.

Mr. *Shaw Lefevre.*

746. You say that the public have for a long time past ridden there?—They have ridden since my recollection, and I never heard it disputed that there were public rights over here; they have never been closed, to the best of my knowledge, by any Act of Parliament. In fact, this Bill is for the express purpose of closing them.

Sir *Edward Hamley.*

747. What damage do you suffer by having to go two miles further round to Bisley?—I say, if it is alleged that Bisley is to be an improvement to our property, it cannot be an improvement to send us double the distance that we have to go at the present time.

Sir *William Crossman.*

748. I cannot understand how you make out that Bisley was going to be an improvement to your property?—I did not say it was. There

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Sir *William Crossman*—continued.

was a statement by a gentleman on the other side, I think, for the National Rifle Association. He said, I shall be corrected if I am wrong, "that it would enhance the value of our property, by letting houses as lodgings during the fortnight or three weeks of Bisley Camp." Now, my only point is this: I say, if that is so, inasmuch as we have direct access now, only two miles, and inasmuch as you will be sending us further round, four miles, nobody would take houses there who were requiring to go to Bisley Camp. They would not go a distance of four miles. Then, with regard to Cowshot Bridge. Colony Gate to Cowshot Bridge at the present time is 2 miles 2 furlongs, and by this route, and round No. 4, it would be four miles.

Chairman.

749. All this is taken from Colony Gate, but your houses are not all built up to Colony Gate? —No; I must take some common point.

750. Mr. *Lyttelton.*] You have taken them also from Mainstone Gate?—Yes, I give the distances from the Gates.

Sir *William Crossman.*

751. One question with regard to your last answer. Is there a direct road from Colony Gate across the heath now to Cowshot Bridge?—Yes; then from Colony Gate to Bisley Common at present, 2 miles 2 furlongs; in future 5 miles 5 furlongs. From Colony Gate to Chobham at present 4 miles 5 furlongs; in future 5 miles 4 furlongs. Then we will take the table from Mainstone Gate.

752. That is the second gate upon your property?— Yes, that is the gate *there.* From Mainstone Gate to Bisley Green at present is 2 miles 5 furlongs; in future 6 miles. From Mainstone Gate to Cowshot, 2 miles 2 furlongs at present; in future 3 miles 7 furlongs, that is round by No. 4 road. From Mainstone Gate to Chobham, at present 4 miles 5 furlongs; in future 7 miles. From Pirbright Gate to Cowshot Bridge, at present 2 miles 3 furlongs; in future 3 miles 6 furlongs.

Sir *Edward Hamley.*

753. This station you speak of is not the nearest station to your house, I presume, on that railway?—I did not mention any station; I spoke of Cowshot Bridge, which is the end of the War Department land.

Sir *William Crossman.*

754. You have given us the increased distances on the map, what would be the comparative increased distance by time, considering that one road would be a good metalled road, and the other tracks?—It depends entirely what you are going on. If you are on foot the most direct line must necessarily be the shortest. If you are on horseback that would be the nearest again, because these are excellent tracks, and you can ride at a hand gallop across most of them. If you come to a carriage then, assuming you get made roads to Brookwood, round by No. 4, you might

Sir *William Crossman*—continued.

be able to do it quicker; but for years past we have driven dog carts straight across these tracks.

755. I was talking of the ordinary vehicular traffic?—Yes.

Sir *Edward Hamley.*

756. Do you believe when the Government purchased this land adjoining, you retained any right over that land which the Government purchased?—We have exercised rights ever since.

757. By indulgence I presume?—We do not say so.

758. Mr. *Lyttelton.*] With reference to the question the honourable Member (Sir Edward Hamley) put, I do not think I had the honour of addressing him at the time I was dealing that point. I think it is conceded by the other side that the purchase by the War Office in 1878, though it gave them the manorial rights, and made them practically the owners in fee of the land, did not derogate in any degree from the right of the public, and Mr. Pain among them, to use all the then existing rights of way, and they have continued to use them ever since. I do not think that is disputed; it certainly could not be? —There is documentary evidence of that, if the solicitor whom I saw the other day is here to-day.

Sir *Edward Hamley.*] That is a point on which evidence should be taken.

759. Mr. *Lyttelton.*] At any rate this Bill would not be necessary if there were not existing rights?—I cannot see the use of the Bill. There is a clause to close them; if they do not exist I do not see the object of it; however, I am not a lawyer.

760. After what you said, Sir, about the negotiations in the year 1882, I propose merely to ask this question: Did the Government in the year 1882, in proposing a more limited scheme than this, recognise your rights to compensation?—Most distinctly.

Chairman.

761. It was in the form of roads, was it not? —Yes.

762. Not in the form of money?—Not in the form of money. Of course, at that time the Bill was a very different Bill altogether from this; there was a clause that roads should be set out by the Enclosure Commissioners, in place of the occupation ways of private owners; there is no clause of the kind in this Bill.

Mr. *Shaw Lefevre.*

763. What year was that?—One thousand eight hundred and eighty-two.

764. Mr. *Lyttelton.*] That was a much more limited scheme than this?—Oh, much more. At that time the rifles had not the range and power they have at the present time, and the estate has very largely increased in value, and, of course, there are different circumstances altogether.

765. Did the Government, in the first place, as I have said, recognise your rights by giving you substituted roads, and in the second place, did

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did they pay your costs incurred about the petition?—Yes; you mentioned correctly that the Bill was withdrawn owing to the outbreak of the Egyptian War, the first Egyptian War, and the Government paid my father's costs that had been incurred in the matter. I may say, that on the 6th May 1882, I had an interview at the War Office with Sir John Adie, who was then surveyor of ordnance, Sir J. Campbell-Bannerman who held, I think, the same position as the honourable Chairman at the present moment, Colonel Bashill, and Mr. Teasdale, and verbally the terms of the agreement which were then entered into were settled, and they carried it through until the Bill was withdrawn; in fact it went to engrossment.

Sir *Edward Hamley.*

766. Shall you be able to adduce any proof that you retain rights over that land except this which you have just stated; that the Government conceded your costs on a certain occasion?—Oh, yes; I say that the Government agreed under the powers of that Bill by an agreement to make very valuable considerations to us in the shape of a very long distance of road.

767. I understand that. Do you consider that is the only evidence you have that you really retained rights over the Government land, after the Government purchased it?—Yes, certainly; I think that was the clearest intention that at that time the Government admitted we had the rights, otherwise I cannot, I confess, see why they did it.

768. Mr. *Lyttelton.*] Have you used those paths and tracks since?—Yes.

Mr. *Shaw Lefevre.*

769. They were not rights pertaining only to yourself, but you were a member of the public, and were entitled to use those public roads?—Yes.

770. They happen to be more valuable to you than to any other member of the public?—Yes.

Chairman.] I think it is a great mistake to go into this 1882 question at all, for this reason, that if Mr. Pain goes into it I shall have to call witnesses to show that the neighbourhood strongly objected to Mr. Pain being compensated, because they did not consider the loss was a loss to him, but a loss to the neighbourhood, and the consequence was the whole thing fell to the ground and the War Office withdrew, and having made the mistake of negotiating with a private owner instead of with the public, which was really an important thing, it fell to the ground, and they paid Mr. Pain's expenses, as I understand, because they had got on to the wrong tack.

Mr. *Shaw Lefevre.*] That is a matter of criticism, but the admission by the Government of the right is an important matter. If, on cross-examination, it should turn out that the public did not consider the form of compensation which it was proposed to give to these gentlemen met their views, still the important fact would remain, that the Government by a Bill did recognise a certain public right.

Chairman.] It recognised certain rights, but I think we must deal with the Bill before us, and that any negotiations which took place in 1882 were without prejudice. The Bill was dropped, and we cannot treat it as if it were an Act of Parliament.

Mr. *Shaw Lefevre.*] No, not as an Act of Parliament, but as an admission.

Mr. *Lyttelton.*] With great deference the question of the honourable and gallant Member suggests that there were no rights in Messrs. Pain, or in anybody, on the Government land, because the Government had purchased the land. Now, what I venture to say, is that it cannot be contended for a moment that a deed of purchase between the Government and the lord of the manor could possibly interfere with any rights which the public have over that land. The purchase was a purchase of the land, subject to the public rights, those public rights being the rights of Mr. Pain in common with every other member of the public. They happened to be very valuable to him, more valuable than to the rest of the public, though they are valuable also to them. Now, I do not think that will be denied by my learned friend.

Mr. *Fitzgerald.*] May I say, Sir, that as regards my friend's statement of the law we are quite at one. If there were existing rights of way, legal rights of way at the time that the Crown purchased the rights of the lord of the manor, and of the commoners, that purchase would not operate to extinguish the rights without an Act of Parliament. That is common ground between us, and, that being so, I venture to suggest to the Committee that they would be occupying a considerable space of time, not very profitably, in going into what happened in 1882. Strictly speaking, I ought perhaps to have objected to any reference being made to an agreement that was never executed; but I was very unwilling to take anything like a technical objection. As a matter of fact, that agreement was never executed. The Bill of 1882 was an entirely different scheme. My friend puts forward one view of the Bill, and if he goes into it at length it will be my duty to put forward my view of the Bill; and as the point of law is one on which we are quite agreed, I hope he will not think it necessary to refer further to 1882.

Chairman.] I think, Mr. Lyttelton, it is obvious that there must be rights which we propose to shut up, or we should not require a Bill. There are, no doubt, rights, but the question before the Committee is, what shall we give in return, and, having regard to the whole question, whether a fair position has been taken up, I think we may, so far, shorten the matter.

Witness.] Practically, of course, the Government are well aware that as recently as the 15th February 1889 Mr. Cardwell, Messrs. Clutton's agent, came to me to purchase, on behalf of the War Department, 400 acres of our land; in other words the land lying east of the line drawn from here. He came to me with an Ordnance map, and said, "I want to know what you want for a piece of land from Coloney Gate, eastward of a line drawn straight through here." I said

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to him, "I suppose you mean the Deep Cut Bridge-road." He said, "No, I have no instructions there is any road there." I said, "Well, but you know there is not only a main road, but housee upon it." He said, "My instructions are it is a piece of heath land." I said, "Then I think before you come to me you had better ——-"

Chairman.

771. I am afraid this conversation is hardly evidence. We cannot attach much importance to a mere conversation of this kind. I do not see how it bears in the least upon the matter before us?—It bears upon it in this way, that the Government have had in view the purchase of a portion of our property, and we allege it cannot be reason or justice to bring in a Bill to damage our estate, which we know they wish to purchase. We ask for common justice; that is all.

772. Mr. *Lyttelton.*] Your own decisive opinion is that you are damaged?—Oh, distinctly. There is not the slightest doubt about it.

773. And you feel confident that you can pursuade an impartial tribunal to that effect?—We are perfectly satisfied to let the law take its course. If we get a clause under the Lands Clauses Act, under which all the great public works in this country, both Government and private, have been made, we shall then be perfectly content. I am here to say, Give us the Lands Clauses Act and we are perfectly content; if we cannot prove our damage, the Government will not have to pay anything, but if we can make good our claim and our damage, the Government will have to pay what is right and just.

774. One word as to the Board of Agriculture. Do you rather object to a Bill which takes you from Pall Mall to St. James's-square only?—I do not think it would be reasonable that, one department of the Government taking our land, the damage should be assessed by another department, and I see no reason in this case why the ordinary procedure of English law should be varied because the Government wish to acquire this land at our cost.

775. I believe these provisions, I daresay it is familiar to the Committee, by which one section of the Government, in a judicial aspect, try the acts of another section of the Government, do not operate to the advantage generally of the private individual?—I do not think so.

776. Mr. *Fitzgerald.*] May I put two or three questions, with the leave of the Committee. You are acquainted of course, Mr. Pain, with the provisions of this Bill?—I am not a lawyer, but I have looked them through. I have seen the Bill.

777. I think you understand pretty well what it contains, and what it does not contain?—As far as a layman can. It does not seem a very clear Bill.

778. I understand you to suggest to the Committee that the access to your property will be cut off by the provisions of the Bill?—Clearly.

779. You are aware that the Bill only proposes to stop up the track, coloured green, towards the north, and the track, coloured blue, lower down?—I am aware that that is so, under one clause. There is another clause, which gives the Secretary of State——

780. Confine your attention, will you, for a moment, to this clause; is it not the fact that all that the Bill itself proposes to stop up is the two tracks coloured on the plan?—I do not understand so. I distinctly understand that there is another clause giving the Secretary of State for War, when he chooses, the right to close all rights of way over that 11 square miles.

781. I thought you did not understand it. Now let me point out to you that by clause 2——

Mr. *Lyttelton.*] I think it would be better that my friend and I should discuss these clauses by way of argument, if there is any serious argument upon it. Mr. Pain is an engineer, and not a lawyer, and I do not think it is to advantage to discuss it with him.

782. Mr. *Fitzgerald.*] Mr. Pain puts it that the Bill itself deprives him of access to his property, and I think, if he looks at the Bill, he will see that the Bill only extinguishes the right of way over these two tracks, for which it provides substituted tracks?—That I should deny.

783. That is quite sufficient; if you deny it, that is quite sufficient for us?—I have a perfect right to explain. I say, that as we have a right of access directly across there, it is not a reasonable substitution to throw us off a mile and a quarter in that way. I have shown the Committee that the distance is increased by two miles.

784. Let us go to the north of the map. You have given us the distances from several of your private gates to the villages?—I do not think I gave the distances to villages. I gave them to certain points at the end of War Department land. I gave Bisley Green.

785. I think you gave the increased distances to Bisley, for instance?—I did.

786. And to Chobham?—I did.

787. Are not those villages?—They are, but the measurements I gave were not actually to the village itself; Bisley Green I gave to.

788. Do you put it to the Committee seriously that there is any great amount of ordinary local traffic from Bisley along that green track?—There is a great deal more than the War Office seem to imagine.

789. You know the character of the ground towards the north of the pink?—Intimately.

790. Is it not, to a great extent, rather low-lying boggy ground?—There are bogs in places on those commons, yes; but I have never, I may say at once, and I have walked on it very frequently, and have been in the habit of walking for years all over these commons, I have never yet had the slightest difficulty in going over any of the tracks, not the least.

791. Are you under the impression now that, as a matter of law, you have a right to walk and travel all over the pink land?—I did not say so; I said I had walked and driven all over the tracks.

792. You confine your legal right to the tracks?—I cannot say as to that; I merely say what I have done. I have done so for many years.

793. I understood you in chief, or I would not have put these questions to you, to talk about enjoying

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enjoying the right of driving all over the common?—The tracks.

794. You mean by that the tracks on the common?—The tracks on the common.

795. Let us come down a little lower on the map; how far is Guildford?—About six or seven miles.

796. I suggest eight?—Well, it may be so, it may be eight. It depends upon where you take take it from.

797. What is your station?—I have several.

798. Farnborough?—That is one, Frimley is another, Brookwood is another, North Camp is another, Camberley is another.

799. In short, you are well off for stations?—Fairly well off.

800. Would you get coal, for instance, from Frimley, or Farnborough?—Both.

801. Would you get household provisions, and things of that sort at Frimley, or somewhere in that neighbourhood?—Of course, if you are asking me personally what I would do, I should say that, living at one side of the estate, I should get them from Frimley, as the nearest station; if you ask me for my brother's interest, or the other side, I think probably they would get them from Brookwood; it depends, of course. It is a large estate, 900 acres, and it would depend upon where you went for your fuel, or coal, or what not.

802. Now with regard to the provision for arbitration in this Clause 6 of the Bill; you object, as I understand, to a reference from one Government Department to another?—I do.

803. Would your objection to the tribunal in that clause be removed if an arbitrator were appointed by, say, for instance, the Secretary of State and the Chairman of the County Council?—I see no earthly reason why you should go out of the ordinary law, which says that the person desiring to acquire the land, and the person selling it, shall each appoint a surveyor; and in the event of their not agreeing, an ordinary arbitrator. What in the world the Chairman of the County Council for Surrey has got to do with this scheme, I cannot see.

804. You have put a question upon me about the ordinary law; you are talking, are you, of the Lands Clauses Act?—Yes.

805. And as you are aware, that applies to cases where land is acquired by compulsion?—Yes; or property damaged.

806. Are you alluding to the section respecting what is known as injurious affection of land?—There you have me; not being a lawyer I cannot tell you. I can tell you my experience as an engineer, carrying out public works in various parts of the kingdom. I have over and over again known cases of where property has been injuriously affected by works, and we have had to pay for them, although no land was actually taken; those cases are almost on all fours with this case; in fact, on all fours.

807. But you must be aware perfectly well, that those are cases where work is executed, where compensation is paid under the Lands Clauses Act, and no land taken?—And you are going to execute works here.

808. That is your view?—You are; the Bill distinctly states so; you are going to carry out certain roads; they are works.

Mr. *Shaw Lefevre.*

809. Have you laid out much of your land for building purposes?—No. My father has built out of his own private means; he has not employed any speculative builders, or anything of that kind; but he has simply built out of his own means certain houses.

810. A considerable number of houses?—Not a great many.

811. How many?—There are four lying east of the Deep Cut Bridge on the land that the War Office wish to purchase.

812. Has there been any meeting at Frimley to consider the proposals of the Government?—Yes, there was; I called a meeting myself at the request of some of the ratepayers. I may say I did so because I have been for some years taking a very active interest in all public matters in my parish, and I have been for some years on the parochial committee, which practically has the management of all the work in the district, and I am now chairman. This year they pressed me to stay, and made me the chairman, and therefore I thought it was my duty, as no public notice had been given of this Bill, and the public knew nothing whatever of its provisions or its scope and object, to call a meeting. I called as soon as I could to see the plan, which, I may say, was not deposited in the usual way. There was no plan to be seen anywhere of what was proposed till the 5th of June. On that date, after applying to Mr. Teesdale, or rather, I should say, to the Solicitor to the Treasury, they sent me word that I could see it by making an appointment with Colonel Laocock, and I went there and saw a plan similar to that one up there. Then I saw the tremendous scope of this Bill, and I then convened a meeting, and certain resolutions were passed, of which I was requested to send the War Office a copy, and I did do so.

813. How many people were present at the meeting?—The public meeting was held on the 14th June, and there were present General Smyth, General Byrne, Mr. Goldney, Mr. Hollings, Mr. Murray, Dr. Atkinson, Captain Johnstone, Mr. F. Pain, Mr. T. Reynolds, Colonel Maurice, Rev. W. Basset, Mr. Caleb Hall, Mr. G. Harwood, Mr. Stevenson, Mr. H. Hall, Mr. Pursey, Mr. Dwding, Mr. Jones, Mr. Kemp, Mr. Maggs, Mr. March, and Mr. North. Those were the gentlemen present.

814. Mostly property owners?—No; the first few were. There were 25 in all, and I suppose you might say five were property owners, and the rest were tradesmen and people interested in the district. I pointed out to the meeting what was proposed in the Bill as I understood it, and then General Smyth explained that Mr. Brodrick had promised to put him in a clause that the road No. 4, which is marked on that map, should be made and metalled, and that the road from Colony Gate towards Bagshot should be made and metalled. He told the meeting that Mr. Brodrick had promised to put a clause in.

Chairman.

815. Should be made provided the committee were satisfied they were the roads necessary for the locality?—I am quite open to your correction, but General Smythe did not say that.

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Mr. *Shaw Lefevre.*] Which is the last road you spoke of?

Chairman.] From Colony Gate to Heatherside.

The *Witness.*] That was one of the roads and this was the other. There was no suggestion on General Smyth's part of any condition at all. A note was taken at the time of what he said. "General Smyth, who produced a plan which had been furnished him by the War Office on the 13th June, then detailed the results of his interviews with the Government authorities, in which they had expressed their willingness to consider any propositions that might be put before them by persons interested; and further stated that he had been promised by Mr. Brodrick, M.P., that clauses should be inserted in the Bill for making a continuation of the Deep-cut Bridge-road from Colony Gate past Heatherside Nurseries to the road to the 'Jolly Farmer;' also from the Deep-cut railway bridge past Highland Farm and Curzon Bridges to Furze Hill-road."

Mr. *Shaw Lefevre.*

816. There is no provision in the Bill for that road?—No. The road from Colony Gate northward to the "Jolly Farmer" was one, and the other was No. 4. Then a resolution was passed appointing a committee. That committee met and they passed resolutions on the matter, which I will, if you please, read to you. The Government have had a copy of those resolutions; I sent them myself.

817. Will you read the resolutions?—I will. "It was resolved that in place of the direct road from Colony Gate to Bisley, with a branch road to Wood-lane Farm (coloured green on the Government map), which road it is proposed to stop up, the War Department should construct a 40-foot road from Colony Gate to the end of the War Department land."

Chairman.

818. Not to the "Jolly Farmer"?—No, the other is made; there was no question about that; "to the end of the War Department land, near to Heatherside Nursery corner; also from Colony Gate *viâ* Mainstone Gate and Old Windmill-hill across Curzon Bridges to Gapmouth-road. It was further resolved that there does not appear to the committee any sufficient reason for closing and diverting the main Guildford-road from Frimley-green over Crown Prince-hill, past Henley Park to Guildford, and from Farnboro' and Mytchett to the aforesaid road near Crown Prince Wood (coloured blue on the Government map); and that Mr. Hankey, M.P., be requested to oppose such stoppage and alterations, unless such necessity is fully proved, in which event adequate substitutes be provided for the requirements of the public. That was the road that Sir Redvers Buller referred to; and if you will allow me to say so, he was perfectly right in suggesting that instead of this road the road should go across here and here. That would entirely obviate any risk of bullets.

819. Instead of road No. 3?—Instead of road No. 3 going across there. "Further, the committee are of opinion that road No. 3, proposed by the Government, should be supplemented by

Chairman—continued.

more direct access from Mytchett Bridge. It was further resolved that the Gapmouth public road from Deep-cut Bridge to Furze-hill Pond should also be made by the War Department. That the foregoing resolutions are not intended to and do not in any way affect the interests or rights of private owners to compensation. The chairman was requested to forward copies of the minutes of this meeting to the Secretary of State for the War Department, Mr. Hankey, M.P., and the Farnham Highway Board."

Mr. *Shaw Lefevre.*

820. Those counter propositions met the views of the general public?—Yes.

821. But not your own?—Not our own, as far as regards our estate.

822. In 1882, I understood you were prepared to accept compensation in the way of alternative roads?—That was so.

823. In place of your own rights or interests, as involved in the shutting up of other roads?—Yes, and if the honourable Chairman does not object to my referring to the interview I had with him, I may say we are quite prepared now to consider any reasonable proposition for substituted roads from the estate. I am sorry to say that I put a letter, without prejudice, before the honourable Chairman, or rather Colonel Laocock, I think, I sent it to; the Royal Engineer in charge of this matter; and to this hour I have never had a reply.

824. What is your proposal for substituted roads?—Our proposal is, that we should have a road running parallel with the War Department boundary through there, which track exists at the present time. There is an existing road at the present time. Then in addition to that from the road which is referred to as No. 2 in the 1882 Bill, from that point there. Then as I have stated, if those roads were made, this piece of road through here, which is my father's private property, he would be willing to dedicate to the public.

825. He would be willing to open that to the public?—Yes.

826. Would the public authority be willing to take it over?—I am afraid if you ask me that question, I must answer in this way. The Farnham authority draw 1,000 *l.* a year from us, and they spend about 300 *l.*, and they will not agree to anything. They will never take over any road without immense friction and difficulty.

827. Then is the proposal that the road you speak of should be maintained by the public, or by the War Office?—Of course it would be a matter of indifference to us, but I should say it would be only reasonable that the War Office should maintain it, because nobody would use it more than they. That is my experience. Of course they are going to use this to a very considerable extent for manœuvring of troops and matters of that kind, and they play the dickens. I can use no other expression, with these gravel roads; one review on these roads will do more damage than 12 months of ordinary wear.

828. I take it from you, it would not be unreasonable that they should repair that road?—I think not.

829. Inasmuch

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Mr. *Shaw Lefevre*—continued.

829. Inasmuch as they are taking over very valuable rights from the public?—They are very valuable rights. I should like to say, sir, on behalf of the public, and not myself, that of course the parish of Frimley is enormously interested in this, more than any other parish. None of the other parishes have anything like the interest that Frimley has. The public at Frimley have no conception that the Government are carrying this Bill through; they have no conception of what it means.

830. When you say "the public," you mean the general public, including the labouring people?—Yes; they have no conception.

831. You spoke just now of a meeting at which 25 people were present?—Yes.

832. Do you consider that they represented the public?—It is always difficult to rouse the public, and some men have said to me, "the Government could never propose to close all the roads through there."

Sir *Edward Hamley.*

833. Do you appear here on your own behalf or or behalf of the public, or both?—Both.

834. I thought you appeared here for the purpose of obtaining compensation for yourself for certain damage to your own property?—Yes.

835. Do not you think you had better keep that question separate?—I was answering the question of the honourable Member on the left of the Chairman.

836. If the two are to be mixed up in this way I do not see how we can come to any conclusion; if Mr. Pain would confine himself to showing what damage he had suffered we might deal with that question much more easily than if it is mixed up with the question of the interests of the general public.

Chairman.

837. We can argue that question afterwards. Sir Edward Hamley's question is, do you appear for the public or for yourself?—I appear here on behalf of my father, and my brothers, and myself; the questions I answered, I would say with due respect, were those put to me by the honourable Member for Bradford.

Mr. *Shaw Lefevre.*

838. You also stated that the public generally of Frimley are not aware of what is going to be done?—I do say so distinctly.

839. Would the proposals you speak of have met the views of the public as well as your own private views?—Everything I have asked for on behalf of my father and myself would be valuable to the general public.

840. Have you considered any suggestions for enabling the public to enjoy the right of going over this space on Sundays and at times when the War Office do not use the land?—Yes, the Bill seems to me to be exceedingly sweeping in its nature, and it seems to me that a great deal might be done in the way of modification of these clauses giving the public right to use these commons and these tracks on Sundays, or at such times when they are not used. Of course, I cannot very well foreshadow to what

Mr. *Shaw Lefevre*—continued.

extent the Government intend to use it; but, at the present time, the commons lying north of the canal are only used for rifle purposes for the Guards; and then, since this Bisley Camp has been established, and they shoot across these rights of way, of course, it is necessary. I am quite prepared to admit that, for the safety of the public, some of these ways should be closed; at the same time, it seems to me that the Bill is far too sweeping in its measures for the public interest. There are a whole lot of lands lying away, isolated pieces of land, and I cannot conceive why the rights of way should be closed for those; they have nothing whatever to do with these ranges at all; and a little more consideration given to this Bill would do greater justice to the owners of private property as well as the public,

841. It is proposed over a district four or five miles to give power to the War Office to sweep away every existing footpath?—Yes.

842. With no compensation to the public?—That is so.

843. With the power of giving compensation to private owners in respect of any powers which may be in future set up, but no compensation to the general public?—That is so, but it is limited to three months, which practical men like myself know is an absurdity.

844. Assuming that there is some kind of compensation to the private owners, there is none to the public?—None at all.

845. You say you think that is too sweeping a measure?—Yes.

846. What do you think might be done to safeguard the public interests in respect of what they now practically enjoy in respect of this large area of land?—I should say this; that nothing would be wiser or better than for the Government to withdraw the Bill at the present moment, for this reason, that nothing passed at this moment can affect the safety of the public now using the Bisley range. Nothing can be done in that respect at the National Rifle Association meeting; therefore, if the Bill were withdrawn, and the Government brought in another Bill next November, dealing with all these matters which have been argued out, an Act could be passed before the next Bisley Camp, and the whole thing might be dealt with in a masterly way. This Bill has been rushed through, and the clauses, in my opinion, are confiscatory in their character, and, I think, unnecessarily confiscatory.

847. But assuming that the majority of the Committee is in favour of passing the Bill, what provision do you think might be inserted in it to safeguard the interests of the public, and to enable them to enjoy, consistently with the use required by the War Office of that which they have practically always enjoyed, namely, the user, I will not call it the right, of traversing the common in all directions, which has been practically secured to them by the numerous footpaths which existed in all directions. I will assume for a moment that the War Office have acquired the fee, and got rid of the commoners; then, practically, the user of the public is secured by the fact of the numerous footpaths in all directions?—Yes, and tracks.

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Mr. *Shaw Lefevre*—continued.

848. Now, I ask you, assuming that the Bill is passed, what mode suggests itself to your mind of safeguarding or securing to the public the limited user of them which have always been in the habit of enjoying consistently with the objects which the Government have in view?—Of course, it comes upon me rather suddenly; but I would suggest that except it is actually used for shooting, the rights of the public should not in any way be affected. For instance, on Sundays, on public holidays, in the winter time; it is very little used in the winter time for shooting.

849. And in evenings, I suppose?—In evenings after certain hours. I think I am right in saying (I do so in the presence of these military Members of the Committee) that they generally cease firing about six. Now I can conceive no reason why the public should not be permitted to enjoy all the rights after six; at six o'clock in the morning they generally begin firing. They began firing this morning on the guard's range at about six o'clock.

850. You think it would be possible to make provision by a clause, securing to the public whatever rights they now have?—Yes; and if I may be allowed to suggest, I fail to see that there is any object in closing this; the Bill contains two proposals for the future.

Chairman.] The Bill speaks for itself; what the Bill is is hardly a question for Mr. Pain.

Mr. *Fitzgerald.*] I asked that question, and I was told by my learned friend that Mr. Pain was not a lawyer, and that it would be better for us to argue it out together.

Mr. *Shaw Lefevre.*

851. Do you understand that the Bill takes power to the War Office to close absolutely every footpath over this extent of land?—I most distinctly understand that if the Secretary of State for War thinks it necessary he can close every track.

Chairman.

852. But with compensation?—No; apart from any compensation to the public.

Mr. *Shaw Lefevre.*

853. But with compensation which you think an inadequate and unsatisfactory provision, with compensation to private owners, but nothing whatever to the public, and that, therefore, the public would find itself excluded from the practical enjoyment of the use of this extent of land?—That is it precisely, and I say further the public have no conception of anything of the kind.

Mr. *Lyttelton.*] That is a perfectly true summary of Section 6, but by Section 5, if in the future these lands are used for military purposes, the Secretary of State is entitled to suspend, in fact does, by the operation of this Act, suspend all right of way without any compensation at all.

Mr. *Shaw Lefevre.*] That is an alternative provision. The one which affects the public mainly is No. 6, because under that the public practically can be excluded from the user.

Chairman.] The present position is that Mr. Pain is appearing on his petition on behalf of himself; and any question connected with the public is one for the discussion of the Committee or such witnesses as the Committee may think fit to call; Mr. Pain does not appear on behalf of any body of men; he appears for himself.

Mr. *Shaw Lefevre.*] Mr. Pain, in answer to a question by me, said the public in the district have not the least idea of what is going to be done.

Sir *Edward Hamley.*] I asked Mr. Lyttleton, when he called upon Mr. Pain, whether he intended him to come on his own behalf or on behalf of the public. If he wishes Mr. Pain to speak in his own interest, surely all this is quite immaterial, and if there are other witnesses on behalf of the public why examine him?

Mr. *Conybeare.*

854. Mr. Pain is not merely a landowner in this district, but also one of the public; he is a resident?—I am. I have been there for six years.

Mr. *Conybeare.*] If we are able to elicit from Mr. Pain as a resident the views which he knows are entertained, and which he can speak to from his own knowledge, why should not we do so?

Mr. *Shaw Lefevre.*] May I venture to put, in furtherance of that view, that this is not an ordinary Committee on a Private Bill. It is a Hybrid Committee for the express purpose of enabling public interests and views to be ascertained, and to be gone into.

Chairman.] There is no objection to the public views being gone into to any extent. Two representatives of the public have been called, namely, the representatives of a highway board, and the county councillors of the district.

Mr. *Shaw Lefevre.*] I propose to examine Mr. Pain as to the views of the public.

The counsel and parties were directed to withdraw.

After a short time, the counsel and parties were called in.

Chairman.] Mr. Shaw Lefevre will finish his examination.

Mr. *Shaw Lefevre.*

855. Can you suggest any provision for insertion in this Bill which will secure to the public a limited user in respect of this common, which practically they have always in the past enjoyed?—I do not think I could go further at this moment than to say I think the public should be allowed to use these public commons as they have been in the habit of doing as long as I can recollect, while the rifle ranges are not being actually used for shooting. Possibly I would go still further, and I would say I think under certain circumstances the Government would be clearly entitled to the right of closing these roads on review days or at other times. Some time ago there was a big review before some great foreign notability (I have forgotton for the moment who), and they did close these roads, and

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Mr. *Shaw Lefevre*—continued.

and I suppose they could do so again, and stop people going over them.

856. Do I understand from what you have said already that although the public may understand what is intended by the substitution of one road for another, they do not understand that in the future they may be practically shut out of the whole place through the operation of Clause 6?—That is my opinion.

857. You do not think the public of the place are in the least degree aware of the extent to which their practical user in the past may be destroyed in the future?—I do not think so. May I permitted to say, by way of explanation, that I should be sorry to mislead the Committee on any point; and Mr. Halsey, since the room has been cleared, has told me he has, on the part of the parish of Pirbright, agreed to certain clauses with regard to certain tracks. Of course I was not aware of that. I have not seen the map, and I do not know what it is; but if Mr. Halsey has done so, of course that modifies my views with regard to those outlying pieces. I only wish to say that by way of explanation.

Sir *Edward Hamley.*

858. You said, with regard to former circumstances, you would have been satisfied with compensation in the shape of roads?—I did.

859. Can you suggest any compensation in the shape of roads which would satisfy you now better than those which are proposed?—Oh yes; I thought I had done so, but I will do so again, with your permission. A continuation of this Deep-cut bridge road as far as the War Department land; this one; then this road (*Witness explains map*). The public right of way from Colony Gate, through there, on the present track down to Curzon Bridges.

Chairman.

860. Over which there is no right of way?—There is no right of way.

Sir *Edward Hamley.*

861. In what way does that affect you?—We should then join it there and there, and be able to come out of the estate in that form

Sir *William Crossman.*

862. And get access to Brookwood Station?—And get access to Brookwood Station.

Sir *Edward Hamley.*

863. Have you any other means of access to the common except those points you have mentioned?—(*Witness explains map*).

Mr. *Stuart Rendel.*

864. I understand you to say that your frontage to the common is about a mile and a-half?—One mile five furlongs.

865. And do the points of access to the common which you usually enjoyed number three?—Three.

866. They are in the form of gates?—Gates.

867. Bridle gates?—Cart gates, 9-feet gates.

868. With locks on them?—There were locks; but the last time I saw them there were no locks upon them; someone had taken them off.

Mr. *Stuart Rendel*—continued.

869. In your opinion those gates give the public free access to the common?—No; these three gates we claim as our private way out of our property, not public; they are occupation gates.

870. And which you consider as forming part of your property?—We do.

871. And you regard the frontage which you possess upon the common as an important amenity?—Yes.

872. What is the nature of the fence on this mile and five furlongs?—Turf bank about this height, with a ditch which forms our boundary, and the boundary of the parish.

873. In your opinion, has the Government power at present to make this a solid wall; may they inclose the common?—Not at the present time. Under the powers of the Bill they would.

874. Do you state that the Government has no power to inclose the land where it abuts upon your land?—Not as regards those gates.

875. Are you aware whether the Government are in the same position with reference to the other portions of the frontage of this common?—I am afraid I cannot answer that question without thinking very carefully, and going all round the matter in my own mind.

876. You say there are three points on your own mile and a furlong?—Yes.

877. Do you believe you possess more or less than the average number of points of access which the Government would not be entitled to close, on the circumference of the common?—I should say about the same, because Sir Gabriel Goldney has gates. I am bound to say that is on a road.

878. Then, in your judgment, there would be 20 such points on the circumference of the common?—There may be; but I am bound to say I cannot answer that positively.

879. At any rate, under this Bill the Government would have the right to close the whole of those, do I understand you to say?—As I understand the Bill, "Yes;" except, of course, where they pass into roads, which are marked as defined by the Bill as not to be closed, the brown ones.

880. You have studied carefully the market value of land in that neighbourhood, and of that character, I presume?—As a member of the Farnham Assessment Committee it was forced upon me. I will not say more than that.

881. Setting aside the use of the land at present belonging to the Government, and setting aside the form of the present user or proposed user, and assuming the land to be in the market for disposal for the most profitable purposes; can you give us any opinion on which you would place any reliance as to the increase of the value of the land, consequent upon the Government obtaining the power to extinguish all rights of way, and to inclose the land completely; and I would ask you to state it, if you can, by the acre?—As I understand your question, it amounts to this: supposing it is worth 50 *l.* an acre without any rights of way, what is it worth with rights of way.

882. That is the meaning of my question?—Well, I should say, with the rights of way it has no value for building land, a large portion of it,

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Mr. *Stuart Rendel*—continued.

and, therefore, you could not put it at more than 4*l.* an acre. Directly you close those rights of way you make it of very considerable value. It would enormously enhance the value to the Government.

883 The effect of this Bill would be, to increase twelvefold the value of the land held at present by the Government?—It would enormously increase the value.

884. Are you aware of the extent of the land held by the National Rifle Association?—The green patches, I think, Mr. Halsey, or one of the witnesses, stated. Perhaps Mr. Halsey would kindly point it out, because he knows what land they hold, as they bought it of him.

885. I may perhaps ask you whether you are aware of the character and status of the National Rifle Association; is it a private association?—I understand it is a private association; and I understand they bought that big green patch of Mr. Halsey, and they shoot from that land over the War Department's by consent.

886. If the National Rifle Association is a private body, and owns that land purely as a private association, do you consider that the value of their land will be largely increased by the closing of the rights of way on the whole of their frontage, assuming them to have a peculiar enjoyment of the common in association with the Government?—For the purposes of the National Rifle Association there would be distinctly an enhanced value by closing the tracts. For the purpose of private ownership, assuming it remained in Mr. Halsey's hands, I should say its interests would be largely depreciated.

887. The operation of this Bill, then, would be to very largely increase the value of land bought by the National Rifle Association?—For that specific purpose only.

888. For their specific purposes as compared with the value of the land in the hands of the previous owner?—Yes.

Mr. *Conybeare.*

889. I want to be clear on one point as to all these outlying parts marked pink; are we to understand that all these outlying scraps of land are to be affected by this Bill?—I understand distinctly so, under the provisions of the Bill as I have got it. Mr. Halsey tells me, since I went outside in the lobby, that, on the part of the parish of Pirbright, he is satisfied that these roads and tracts, on these outside pieces, are agreed to. That, however, I have not seen; I have seen no plan or agreement, and I know nothing about it.

Mr. *Halsey.*] All the tracks here that are marked brown.

Mr. *Conybeare.*] The private owners, I understand, are to be compensated by money payments for whatever interference may take place with their rights.

Mr. *Lyttelton.*] No; no compensation at all under Sections 2, 3, or 5.

Mr. *Conybeare.*

890. Well, there are certain provisions for compensation to private owners; but do you understand whether any compensation has been or could be proposed to the general public for the deprivation of the general public of their right over the common?—It seems to me that to embody the Lands Clauses Act, as it stands, for any person injured by it would get over the injury. If there is no injury done, the Government pays nothing at all; if there is injury done, they pay.

Mr. *Conybeare*—continued.

Mr. *Shaw Lefevre.*

891. That would not provide for injury done to the general public?—Oh, no, not for injury to the general public.

Mr. *Conybeare.*

892. It would only provide as between private owners and the public?—That is so.

893. Perhaps your idea as to private owners and mine differs; therefore, I will ask you a question on that point. What number of poor people or agriculturalists are there living in this parish?—In our parish there is a population of about 5,000; and at Frimley Green it is mostly agricultural and labouring population; almost entirely; and I suppose there are a matter of 500 people there. There is another group up at Frimley-street. I may give a case in point. When my brother was building the house here the labourers at Chobham and Bisley used to walk over every day and work there, and it was a very great convenience for us to have them. Now they will be entirely shut out by this Bill, unless they choose to walk miles round.

894. Then, so far as a large population of poor people, consisting of agricultural labourers, artisans, and others, are concerned, the shutting-up of all tracks and rights of way over this common will affect them even more than it will affect yourself?—Yes, it will affect the range within which they can get employment; and they go for miles from our district.

895. As I understand it, there is no proposal whatever for any compensation in their case?—None, as I understand it.

896. We have heard that a meeting of the local authorities was held, and they passed certain resolutions, I presume, upon this question; were you yourself present at those meetings?—The meeting I was present at was the one held at Frimley, when I was in the chair.

897. That was one you called?—That was the one I referred to.

898. I mean the meeting of the local authorities, which we have been told must be accepted as representing the public opinion of the place; were they public meetings?—I was not present at any of the highway meetings of Guildford or Farnham. I only know from the reports in the papers which I have here.

899. Then would it be correct for us to assume (I am asking you as a person having a general knowledge of the district) that the views expressed at those meetings of the highway board would correctly represent the views of those poor people whose rights would be taken away from them?—I should say they were never considered, never entertained. Pardon me for a moment; I should correct that by saying I am speaking as regards

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Mr. *Conybeare*—continued.

regards Farnham. Of course, as regards Guildford, I do not know, but as regards Farnham, I do know.

900. Did Guildford take the matter into their consideration?—The Guildford highway board did, and I will hand the Chairman a copy of what was said in the newspapers. I do not know it of my own knowledge except from the newspaper report.

901. Then, except the public meeting which you yourself presided over, there has been no public meeting at which the views of the poorer class could possibly be represented?—That is so.

902. Can you say of your own knowledge whether any attempt has been made by any person or persons to ascertain what the views of these poorer class of people may be?—My answer was as regards Frimley. As regards Pirbright, I see by the paper there had been a vestry meeting, and I suppose at that meeting it was competent for anybody to attend if they chose to do so.

903. You have lived many years, I suppose, in this district?—I have actually resided there six years, but I have been constantly in the habit of staying there with my father since 1856, and therefore, I am intimately acquainted with it.

904. Could you say from your knowlege of the district to what extent the public have availed themselves of these lands for recreation purposes, &c.; for instance, on Sundays and other days?—Yearly increasing. As the population increases, so the use of this common has increased.

905. It is high ground a great deal of it, is it not?—Yes, it is. Just on that line bounding the War Department's land is roughly the top of the watershed.

906. Then if the general public of all classes were excluded from the enjoyment of this high land as a sort of recreation ground on Sundays and holidays, when it is not required for shooting purposes, it would be a distinct loss to them from the point of view of health and enjoyment?—Certainly.

907. And in addition to that I understand you to express the view, that the prevention of the working classes from going by the shortest route, from one point to another for their labor, would be a distinct loss to them?—Yes; I speak of my own parish, certainly, distinctly.

908. I am only asking you to speak of what you have personal knowledge of; I suppose that the hours during which that class, workmen for instance, would be going to and from their work, would be early in the morning and late at night, would it not?—That is so, except on Saturdays when they come home early, but otherwise it would be before and after six.

909. Then the shooting, I suppose, does not begin before six?—From six a.m. to six p.m.

910. Then to exclude the working classes from the enjoyment of these rights of way, which are a great convenience to them, and facilities for getting to work and so on, to exclude them before six a.m. and after six p.m. would be a distinct loss and injury to them?—I think so, distinctly. For instance, in building our houses on the estate, it would limit us to our own

Mr. *Conybeare*—continued.

parish. We could not get any men on the other side to work. It would stop them from coming.

911. That would of course mean a loss of labour to those on the other side?—Yes; and it would be equally applicable to men living in our parish going to work on the other side. Sometimes the work is on one side, and sometimes on the other. Of course, if you prevent the access you prevent the workmen from getting free employment.

912. Previous to the meeting which you presided over, can you say whether there was any knowledge of the provisions of this Bill among your neighbours?—Of course I am bound to say, that as regards myself, I saw the notice in the Guildford paper in November last; but although it stated it proposed to close certain roads or tracks, there was not a word said about the Guildford road, this lower road, at all. That notice did refer to road No. 1 and 2, and therefore anybody reading it, and understanding a Parliamentary notice would have understood it.

913. Then you say that the terms of the notice were not adequate to apprize the general public of what was threatened?—I most distinctly say so.

914. Was that notice in conformity with the requirements of the Standing Orders?—Speaking with a knowledge of private Bill legislation, I should say ——

Chairman.] It has been already ruled that the question of Standing Orders cannot be entertained.

Sir *Edward Hamley.*] I would ask one question with regard to your suggested road, as the one you should accept in substitution. Will you tell us exactly what is the difference between proceeding from your house to *that* point by *that* road, or coming down and joining the road which the Government propose to make up to the same point.

Chairman.] That is to say, by road No 4, or by a road over Curzon Bridges.

Witness.] I quite understand, about a mile; not from my house.

Sir *Edward Hamley.*

915. I am speaking from your house, because we must have a starting point. We cannot go over your boundary to select a point from which you are to start. From that point to your house, I should say it is actually nearer by the road proposed, than it would be by the road you propose?—This road, I propose, is not made in the interest of my house in particular, but in the interest of this 400 acres of land which lies east of the deep cut bridge road.

916. In what way would that interest be affected by it?—By its access to Brookwood and elsewhere, and over *here.*

917. What is the use of access to a spot which is not inhabited?—Here is Brookwood Station, and it is a riding and driving ground for the district; and I venture to think, if you came down to take one of these houses, one of the inducements would be the large range of country you could ride and drive over. Now if this Bill is carried that will be absolutely shut up.

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Sir *Edward Hamley*—continued.

918. This road confers nothing upon you?—I say that we have no road there at the present time metalled and made; and if you metal and make a road we are prepared to meet the matter in that way, and consider it in substitution of what we now have, a road *there* and a road *there*.

919. This is entirely with relation to your claim for compensation in the shape of roads?—Yes.

920. Therefore I want to know exactly, if you can explain to us, how this new road would confer upon you any advantages which you do not possess by the road proposed to be made by the Government.

Chairman.] Road No. 4.

Sir *Edward Hamley.*

921. Because I have not yet succeeded in ascertaining that in the smallest degree from what you have said?—I do not think that in anything that I have said I alluded to my own personal interest in the use of this road, or any particular advantage I should have. I dealt with the matter as affecting the estate, 400 acres in extent east of the Deep-cut Bridge-road. I now can go right across there to Brookwood Station, and when this Bill is passed, as it present stands I could not.

922. We are arguing now not upon the road that really exists, but upon the one that you are willing to accept in substitution of it?—Yes.

923. I want to know, and I have not ascertained, what advantage you will gain by having that road made which is not conferred upon you by Road No. 4?—It would give a frontage to the whole of our estate on the east side out of these gates, which we should not possess if the Bill is carried as it is.

924. What is the importance of possessing that frontage, because the question very much depends upon this, if you will not give us a clear explanation, I do not see how you can expect us to accept your views?—I am very sorry if I have not succeeded in explaining to the Committee, but I have endeavoured to point out that if you have a frontage for a mile and a-half long, out of which, at the present time, you have three ways of getting; unless you can continue to get out of that.

925. Get out from where?—From the estate.

926. From your own house?—From our estate; I am not speaking of my own house. I did not raise the question of my own house where I live, because it is on the other side of the estate. I specifically stated in my evidence in chief that I referred to the line east of the Deep Cut Bridge-road, particularly, and close to the Deep Cut Bridge-road. If you take me to the extreme corner of my own property, I say, necessarily, it cannot be as good as the one on the other side; but if you have two ways out of your dwelling-house, and one of them is blocked, your house must of necessity be of less value.

Mr. *Edwards-Moss.*

927. Did you advertise the meeting you called?—I did not advertise it in the public papers, but I did advertise it in this form:—

Mr. *Edwards-Moss*—continued.

"Notice, a public meeting of the inhabitants of the parish of Frimley will be held at the National Schools, Frimley, on Saturday, June 14th, at 5.30, to consider a Bill now in Parliament, intituled, the 'Aldershot Roads Bill,' and to pass such resolutions and to take such steps as may then be considered necessary." A copy of that was sent to the War Office.

928. Was the 6th Clause of this Bill discussed at that meeting?—No.

929. Did you explain the effect of it?—I think I read it.

930. Was your meeting held before or after the meeting of the Farnham Highway Board?—I am not quite sure whether the meeting was held before the meeting of the Farnham Highway Board. I think the Highway Board meeting was held afterwards.

931. At your meeting at Frimley was the road you suggest, Curzon Bridges, discussed at all?—As you will see in the minutes, a discussion took place as to the desirability of certain substituted roads. This was the meeting of the 14th June. A discussion then took place as to the desirability of certain substituted roads, but it was considered it would be wise to leave to a committee to be appointed to decide what was best to be done. Then there was another meeting held of the committee at which certain resolutions were passed, which I read to you with regard to the roads, and of which a copy was sent to the highway board and to the War Office.

932. This road; the Curzon Bridges which you propose is more for yourself than for the convenience of the public?—It is distinctly in substitution as I have said of compensation; but it would be a most valuable road to the public, more particularly as that part is built over, as it is rapidly extending in that way.

Sir *William Crossman.*

933. Built over on that land?—And Sir Gabriel Goldney's and other people's.

Chairman.

934. I should like to ask you one or two questions. You spoke of the Bill being "rushed through." You are aware that it has been before the House for over seven weeks?—The 14th May was the date the Bill was brought in, I think.

935. After your meeting of the inhabitants of Frimley, you appointed deputations, did you not, to wait upon the War Office?—No, there was no deputation appointed.

936. Did you not arrange for a deputation?—No; I wrote a note to Mr. Hankey, and I sent him a copy of the resolutions, and he then wrote to me and suggested that I should come up and see you, and that I did.

937. Is it not the fact, with regard to the public and the labourers, that there is a path along the tow-path the whole way along the canal which bisects the War Office ground?—Yes.

938. And that is considerably used, I suppose?—Yes.

939. That would be the direct road, would it not,

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Chairman—continued.

not, from Brookwood to Frimley?—Yes; and it is level, of course.

940. That will, of course, remain open. By the Bill there is no attempt to close it?—No, that is private property, the canal. That, I fancy, is a right by user, not a right by law. They do use it.

941. With regard to road No. 4, you have asked the Committee for another road from Mainstone Gate?- Yes.

942. But you have not given your opinion as regards road No. 4. May I take it that you are indifferent to road No. 4 being made?—I think the more roads we have the better. Road No. 4 is an existing public road, of course, as you are aware.

943. That road No. 4 is essentially a public road, but it does join your road, which you though it worth your while to make from Deep-cut Bridge the whole way up to Colony Gate?—Yes.

944. In fact, if made, the road No. 4 would be the only direct access from the end of your road to Brookwood station?—Direct access, yes.

945. You will have to go about five miles round?—Yes, that is the way you would go, and people do go.

946. Consequently I may take it that road No. 4 is a valuable road?—Certainly.

947. And that the making of that by the Government would be a very considerable concession to the neighbourhood, and to your property?—I should not say that; I should not say it was a considerable concession. The road exists; it is there; it is practicable for carriages to drive through now; it is not a good road, and is not metalled in part.

948. Would you rather that I withdrew road No. 4, and gave you the road that you want made?—If you asked me *qua* Pain's estate, yes; if you ask me *qua* public, no.

949. I do not examine you for the public, I examine you for your own petition; on your own petition you would prefer to have the other road?—Most distinctly.

950. The Farnham Highway Board refused to take over your road, did they not, from Deep Cut Bridge?—They did, in a sense; the resolution was that they did not think the time had arrived; that was the expression.

951. That is to say, that there was not sufficient traffic?—Not sufficient traffic; that was their opinion.

952. You have four or five houses built, I think you told the Committee?—Four houses east of Deep Cut Bridge-road. I may mention, though perhaps you know it, that a portion of the Deep Cut Bridge-road, from the Windmill-hill to Deep Cut Bridge, was made at the expense of the War Department and taken over by the highway board, for facility for getting across that way.

953. You stated, some time ago, that there were 70 miles of tracks which were to be shut up?—Roads and tracks, I said.

954. I suppose every cart which goes across the common makes a track?—Not once; if it is in the habit of going across it would.

955. And these are, many of them, tracks

Chairman—continued.

which you can scarcely make out at all, are they not?—I should not like to say that. At the time that survey was made there were most distinct tracks.

956. At all events, you admit that for wheeled traffic they are not, for the most part, suitable?—Most of them are what we call bridle tracks.

957. You say that the public have no conception of what is going on?—I do not think they have.

958. Can you conceive of any other means which could be adopted, other than that of calling a public meeting, and discussion on the highway board and discussion in the local papers?—Yes. With all due deference to you, sir, I say that I think the Government were wrong in not bringing this matter forward earlier. There has not been time to discuss it. The whole thing requires a great deal of time to get in the public mind, and that time has not been given. If, for instance, the Government, when they deposited that notice in November, an imperfect notice as regards what is now proposed, for my impression is that an ordinary Bill would have been thrown out on Standing Orders, if they had deposited plans in the district showing what was proposed to be done, I venture to say there would have been such an outcry that this Bill would never have come before the Committee.

959. As a matter of fact the whole subject has been one of public discussion, both in the newspapers and local bodies, for the past month and longer?—I see this was on the 21st June before the Guildford Highway Board; at least it was in the paper on the 21st June.

960. That was after various negotiations had gone on?—That I cannot say about. Perhaps you will read to the Committee what the chairman of the Guildford Highway Board said. I think that would show that I have not been over stating the case.

Mr. *Shaw Lefevre.*

961. When you say the 21st June, was it the 21st June last?—Yes.

Chairman.

962. At all events you do not deny that local meetings have been held at Pirbright and Frimley, and that the highway boards have thoroughly considered the matter?—I should venture to say, as regards the Farnham Highway Board, they have not considered the matter. Here is notice of what they say and with regard to what they wanted, if they did not oppose. The chairman of the highway board came here, but he has not stood out for what was to be done here.

Sir *William Crossman.*

963. The meeting of the Guildford Board was the 21st June. Your meeting was the 14th June; the week previous?—Yes.

964. So that the matter was discussed during that time?—Yes.

Mr. *Shaw Lefevre.*

965. If this had been an enclosure Bill, there would necessarily have been local inquiries by

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Mr. *Shaw Lefevre*—continued.

the Enclosure Commissioners?—It would never have been passed as an enclosure Bill.

966. But supposing it had been entertained, there would have been public inquiry on the spot by the Enclosure Commissioners?—Yes.

967. A meeting to be held in the evening, in order that the labouring people might be present?—Yes.

Chairman.

968. At what time was your meeting held?—At half past five on Saturday.

669. Mr. *Lyttelton.*] There were no plans deposited with the clerk of the peace?—None, I believe. I did not go there. I went to the House of Parliament. The clerk of the peace is there; he can tell you.

970. At any rate you made every effort, did you not, to obtain information as to what the precise character of the scheme was, and you were unable to get it?—I think if you look at the advertisements of the November notice, you will find it refers to a plan deposited at the Parliamentary Bill Office. I went and paid the usual fee of 5 *s.*, and there was nothing whatever on it about any of the roads.

971. With reference to the question put by Sir Edward Hamley as to the substituted road you have pointed out to the honourable and gallant Member, the roads that would have satisfied you?—I have.

972. Have you, in so speaking, spoken as a representative of the whole estate, and not merely in your private interest as the owner of a house?—Certainly.

973. Would you mind pointing out the other houses; it would save calling other witnesses?—(*The Witness explains plan to the Committee.*)

Sir *Edward Hamley.*

974. Can you say anything on behalf of your own petition beyond that?—I am very sorry that I did not make myself clear in this matter. My point is that we have access from our boundary at three points, *there,* and *there,* and *there.* If you close these roads you close this access; if you give us a road *here* it will be as good for the War Department as for ourselves, and more used by it, and that will give us what we want.

Chairman.

975. And then you will be able to build some more houses with a much better access to the station. Is that what you want to do?—Not any more than we should be able to do now.

976. You have not got the access at present?—We have the access over the common.

Mr. *Shaw Lefevre.*

977. Can carriages go along that road?—Yes. I should not drive a brougham, or anything of that kind, but a dogcart can go perfectly well, and we do drive there.

978. Mr. *Lyttelton.*] Your father, who is 87 years of age, has been recently driving over that road?—Yes.

979. The question of making that substituted road is a question of expense, is it not?—Entirely.

980. I think by the questions put by the honourable Member (Mr. Stuart Rendel) it has been very clearly established that if this Bill passes the Volunteers and the War Office will obtain a very valuable property?—I think so, decidedly.

981. Do you think it equitable that some portion at any rate of that enhanced value should go to the making of these substituted roads?—That is what I venture to urge.

982. Do you think, in reference to what the honourable Member for Camborne put as to the public, that, inasmuch as this large acquisition of value will accrue to the War Office and to the Volunteers, that some provision as to recreation grounds, or something of that character for the labouring population, ought also to be provided, or might be provided?—That has been the tendency of all legislation in reference to commons in the last 15 years, and there is no doubt it is most valuable.

983. Sir *Richard Wyatt.*] You were good enough to point out the proposed road, that suggested by Sir Redvers Bulwer, through what I may call the Mitchett property, through Mitchett Bridge?—Yes.

984. Two roads have been talked of; would you kindly point out the one which you think would be of the greatest advantage?—One road, as I understand it, was from *here.* Mitchett Bridge; straight across from that point, and the other was from *there,* going straight across; suggested by Sir Redvers Buller, and keeping on this side of the railway, and crossing *there,* and I say that from the knowledge of the ground which I possess, I think Sir Redvers Buller's is unquestionably a very excellent suggestion.

Mr. *Shaw Lefevre.*

985. Whom does that land belong to?—Part of this land belongs to Mr. Murray, the petitioner against the Bill, and then there is a portion of the land, which runs up *here,* which belongs to a Miss Wythes and the Rev. Mr. Morton, and Mr. Brake also owns a portion.

986. Sir *Richard Wyatt.*] You were in the room, I believe, from the commencement of this inquiry?—Nearly all the time.

987. You have heard the evidence of all the witnesses who have been called in support of the measure as to the construction of this road, that it would be a great public advantage; do you share that opinion?—One is tremendously handicapped by having no sections of the road. Of course the new roads may be good roads, and as Major Waller very properly, and, as I think, judiciously put it, when the question was asked him, "If I may be allowed to spend the sum I have estimated, I think there would be better roads." But, of course, there is the "if." On the other hand, I do not think anybody, certainly as regards Frimley, could say that road No. 3 is a better road in any respect than the road coloured full blue away towards Guildford. It is a mile and a quarter further round *qua* Guildford.

988. But if No. 3 is to be made, would it not be a great advantage that that should be extended to Mitchett Bridge?—Oh, distinctly; very much so.

989. Then,

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989. Then, in fact, you share the opinion of all the witnesses that have been called?—I think it was a very happy suggestion of Sir Redvers Buller. I saw at once what a capital thing it was.

Mr. *Conybeare.*

990. A reference has been made to the plans or to the non-deposit of plans; when did you first see the complete plans in the form they are placed before us now?—On the 5th June; that was the first date I was able to see any plans anywhere of what was proposed.

991. Whatever plans there may have been deposited in the locality previously, as I understand, they were not such as gave any adequate idea, at any rate, of what was proposed to be done?—There were no plans deposited in the locality prior to that.

992. I see in the reports that have been placed before us that a reference was made to the resolution, I think passed, that the Member for the Division should oppose the passage of the Bill, or something to that effect?—Yes.

993. Who is the Member for the Division?—Mr. Hankey. I see on the 12th June a plan was sent down to the district of General Smythe, who is the representative of Frimley parish on the county council. The 12th June was the date of the War Office's letter; that was the first map that has been seen in our district at all.

Chairman.] Do you call any more witnesses, Mr. Lyttelton?

Mr. *Lyttelton.*] I am very anxious not to trouble you any more than I can help; of course, I have the other members of the family of Mr. Pain, but if it is clear to the honourable Members where the situation of their houses are, I do not think it will be necessary to go through Mr. Arthur Pain's evidence again. I think the Committee understand as regards certain of those houses, at any rate, that there is a greater advantage to be gained from the proposed substituted road than there is to Mr. Arthur Pain's house.

Chairman.] I think we may take it, Mr. Lyttelton, that the general wish of the family is the same, and that they stand or fall together.

Mr. *Lyttelton.*] I was rather thinking in reference to the question asked by Sir Edward Hamley. There are one or two houses very much more affected by the substituted road than others. Perhaps, however, that is quite clear.

Chairman.] I think it is quite clear on the plan that we have that there are certain houses, and Sir Edward Hamley understands that we should consider the position of all the houses on the petition.

Mr. *Lyttelton.*] If the substituted road which we suggest is made it will go one side of a triangle. If No. 4 is made it will go on three.

Sir *Edward Hamley.*] It is not correct to speak of it as one side of a triangle. It is a very devious side. I do not think there would be very much difference in respect of distance.

Mr. *Lyttelton.*] I believe it saves two miles in distance.

Sir *Edward Hamley.*] I should doubt it.

Mr. *Lyttelton.*] I will put the witness in the box to state it.

Chairman.] I think we will limit the question to that point.

Mr. R. TUCKER PAIN, called in; Examined by Mr. *Lyttelton.*

994. WHAT distance would that substituted road save you?—One mile.

Chairman.

995. Does not the road you propose go down a very steep hill?—No, it is not a great gradient. I saw a carriage and pair drive down there to

Chairman—continued.

Brookwood Station; therefore, it is quite suitable for carriages to-day, even as it is now.

Sir *Richard Wyatt* was heard on behalf of Mr. Murray.

Mr. *Fitzgerald* was heard in support of the Bill.

Major J. R. MEECHAM, called in; Examined by Mr. *Fitzgerald.*

996. YOU are Inspector of Musketry at Aldershot?—Yes.

997. A suggestion has been made to the Committee that instead of closing that lower blue road a sentinel might be put at either of the three termini, or all of the three termini, with a flag to stop the passage of traffic during firing; will you state to the Committee your view as regards the possibility of carrying that out with safety to the public?—I do not think that it would be a preventive, because there are certain cross paths leading up to these roads between such positions at which we might put the sentries, which people would use, and so evade the sentries. For instance, supposing we put a sentry *there*, where the pointer is now, and another one on the other side of Crown Prince's Wood, people might get on the road by using some of these paths which lead to it.

998. Mr. *Lyttelton*] You would put a sentry at the extreme end of the blue road?—Put a sentry *there*, and a sentry *there*. Now, how should we prevent people coming up *here*, and between *here*.

Chairman.

999. You would require four sentries at the least?—And even more, because people would come up this road, and get between the sentries.

1000. Then, in your opinion, having regard to

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Chairman—continued.

the length of the distance of the various roads, it would be impracticable to carry out the suggestion that has been made?—Yes; it would be quite impracticable.

1001. It would certainly lead, if it were attempted, to a considerable interruption of the firing, as well as to danger to the public.

Mr. *Shaw Lefevre.*

1002. Under Clause 5 you propose to suspend certain paths in the same manner as has been suggested under this Bill; have you looked at Clause 5 of the Bill?—No.

1003. You are not aware that it is intended to suspend the user of certain footpaths pending the firing.

Chairman.

1004. These are merely foot tracks?—I think they are only just tracks.

Mr. *Shaw Lefevre.*

1005. But those would involve putting sentries, would they not?—No, because there are red flags posted in the rear of all the existing ranges there, warning the public that they are not allowed to go on that ground while the red flag is flying.

1006. There would be very much less protection to the public than in the case of a sentry being put there; the public would have to take notice of the red flag?——

Chairman.

1007. With regard to these cases that you are alluding to of red flags, it is not for wheel traffic but for foot passengers?—For foot passengers.

Mr. *Shaw Lefevre.*

1008. You only warn the foot passengers in respect of paths dealt with by Clause 5. None of those are rights of way, are they?—Yes, it is provided for in the section. The section would not apply unless they are rights of way.

1009. Do you think the public would be sufficiently protected there?—I do not think, being rights of way, that a flag would be sufficient.

1010. It would be necessary to have a sentry?—And even that would not be sufficient; he would not have power to stop a person; he could only say, "Please do not go." The sentry would not have power to say, "You shall not go."

Mr. *Shaw Lefevre*—continued.

1011. Might not there be a clause putting a penalty on any person who should use the road during the time when the right to use it was suspended?—He would probably be shot; that would be the penalty.

Sir *Richard Wyatt.*] I may remind you that suicide is a criminal offence.

Mr. *Halsey.*] I do not care how many sentries you put; but if you remember we gave strong evidence yesterday to the effect that the reason why we wanted the road shut up was, that the highway authorities should be released from the burden of keeping it up.

Mr. *Shaw Lefevre.*] It would be possible that the Committee might take the view that the War Office should maintain these roads.

Mr. *Conybeare.*

1012. Do you think such a system of flags could be devised as to be an efficient protection to the public?—No, I do not.

Sir *Edward Hamley.*

1013. You know the ground well?—Yes, fairly well.

1014. And you know the roads which it is proposed to close up?—Yes.

1015. And the roads proposed to be substituted?—Yes.

1016. Do you think with the increased range of the present rifle you would be able to carry on musketry practice at all unless these roads were closed up, or unless you had the power to close them?—No, you could not carry out musketry practice without carrying out the proposition before you, that is, diverting the roads, as on plan.

Mr. *Shaw Lefevre.*

1017. All existing ranges which did not provide the same extent of area would be unsafe?—A great deal would depend on the nature of the ground behind the butt.

1018. Would you consider that a number of the existing ranges are unsafe?—Yes.

1019. Would you consider that the area near to the ultimate range of the rifle would be more dangerous than the area nearer to the firing point?—Yes.

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Monday, 14th July 1890.

MEMBERS PRESENT:

Mr. Brodrick.
Sir William Crossman.
Mr. Edwards-Moss.
Sir Edward Hamley.
Mr. Stuart Rendel.
Mr. Shaw Lefevre.

MR. BRODRICK, IN THE CHAIR.

Mr. *Cripps* handed in a plan showing the roads that Mr. Pain desired for the accommodation of his estate.

Mr. *Arthur Pain* explained the plan to the Committee.

Chairman.] We will have regard to that.

The Committee-room was cleared. After a short time the counsel and parties were again called in.

Mr. PERCIVAL BIRKETT, called in; and Examined, as follows:

Mr. *Shaw Lefevre.*

1020. YOU are the Solicitor to the Society for the Preservation of Commons, Open Spaces, and Footpaths?—I am.

1021. And for the last 10 years you have regularly examined all schemes for the enclosure and regulation of commons, and you have also dealt with a very large number of cases of footpaths and questions affecting open spaces?—I have, both on behalf of the society and also for private clients in England generally.

1022. You have considered this Bill?—I have.

1023. And you have also inspected the map deposited by the Government in the Library of the House of Commons?—I have, and I have compared that with the Ordnance sheets.

1024. Were you struck by the fact that the Government deposited plan did not contain anything like the number of roads, tracks, and footpaths across the ground which is shown by the ordnance map?—I saw that at once, and I prepared a plan, which is here, showing upon this map (*producing a map*) by dotted red lines every trackway indicated by the Ordnance sheet which is not shown upon the map deposited in the Library of the House of Commons.

1025. Are there a very large number of them crossing these lands in all directions?—By far the majority of the trackways are left out of the deposited plan, in fact a very small number indeed are shown upon the deposited plan.

1026. Of course, a considerable number of those are altogether out of the supposed line of fire towards any butts that may be likely to be erected?—As far as I can judge there are a good many in outlying portions of the common which will not be within the line of fire. I have not studied that question, but I know where the butts are, and if certain pieces of common are in the line of fire then large buildings are in the line too; so I assume those outlying portions are not in the line of fire.

Mr. *Shaw Lefevre*—continued.

1027. Did you visit the district upon the 4th of July for the purpose of investigating whether the roads, tracks, and footpaths, shown upon the Ordnance map do really now exist?—I visited, and, as far as I was able, went over most of the ground. I had not time to look at every trackway, but wherever I looked for a trackway upon the ground to compare it with the Ordnance sheet I always found it, and I in no case found a trackway upon the Ordnance sheet not evident to the eye upon the ground.

1028. And giving evident indications of being used?—Certainly.

1029. It was the fact that there were tracks and paths there?—Yes, worn through the deep heather; it is very deep heather land, and the heather was worn quite down; there was no mistake about the track.

1030. Did you also obtain a general view of the Aldershot roads which it is proposed to deal with by this Bill?—Yes; I drove up from a house called Michet House to Scragley Hill, Steep Hill, and Hangman's Hill, and from those points I could see north and south for a considerable distance.

1031. There are portions of the district which are very beautiful, are there not?—They are very fine indeed; then I continued my journey to Steep Cut Bridge at the point where the Colony Bog Road comes out on to the enclosed ground. I crossed then to Lucas Green, going right and left to find these trackways, then I turned through Bisley, over Bisley Common, through the camp of the National Rifle Association, and through Cowshot Common, then to Brookwood station, so that altogether I got a general view of the whole land.

1032. Taking the place as a whole should you say that that was specially beautiful, especially on the west of the common?—It is all very

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Mr. *Shaw Lefevre*—continued.

beautiful country, but where the roads meet at Scragley Hill it is very fine there.

1033. Then at Chobham Ridges the way across to the upper part of the common is also very fine?—It is very fine indeed

1034. With your experience of commons within reach of London, should you consider this as specially valuable to the public?—Specially valuable.

1035. Is it a case in which, if it were a common to be dealt with in the ordinary way, you would consider the enclosure should be resisted to the utmost?—Certainly, I should advise any clients interested in the matter to oppose the scheme; and also the societies which I advise.

1036. I need not remind you that it has been stated in this Committee that the Crown has purchased the rights of the lords of the manor and of the commoners?—Yes, so I understand, a few years ago.

1037. Before that purchase the public practically had the user of the common?—That is the case with all commons, that so long as rights of way exist over commons the public as a matter of fact go over them, and nobody dreams for a moment of interfering with the public.

1038. In an ordinary common it is the rights of commoners which practically protect the interest of the public?—Yes.

1039. In this case although the common rights have been purchased by the War Office, is it your opinion that the existence of numerous footpaths and roads in all directions over the district practically secures the same interest to the public?—They do.

1040. It would be impossible to prevent the public using the land unless these footpaths are done away with?—It would be quite impossible; nobody for a moment would bring an action against every man, woman, or child, who chose to walk over that land, it could not be done.

1041. The existence of these numerous footpaths and roads across is a protection to the public, and secures to them the user of this land?—Yes, a very practical protection indeed.

1042. If the War Office had the power of closing those roads definitely for ever that would practically make them masters of the position?—Entirely; I take it that they would have the power to put a fence all round.

1043. And shut out the public altogether?—Yes, entirely.

1044. Practically, therefore, you consider that this measure is an Enclosure Bill?—It amounts to that.

1045. It will enable the War Office, if they think fit, to exclude the public altogether from any part of the land?—Yes; the operation has virtually been to make piecemeal an enclosure instead of going through the ordinary machinery of the Enclosures Act, namely, such as having an inquiry in the locality and one thing and another; enclosure has been effected piecemeal, and, even now, to my mind, there ought to be extensive inquiries in the neighbourhood as to the desirability of the scheme.

1046. If the process had been carried out in the ordinary course of law there would have been great consideration for the public interest; there would have been local inquiries, and there would

Mr. *Shaw Lefevre*—continued.

have been provision for the public requirements, recreation ground, and so on?—Yes. The whole policy of enclosures was changed by the Commons Act of 1876, which laid down very stringent rules indeed that the public as such should be considered, and in the preamble of the Act it is stated (that being the spirit of the Act) that unless it can be shown to be a public benefit the enclosure shall not be permitted; and there are numerous cases since that Act was passed, where the Enclosure Commissioners or the authority, whoever it may have been, have refused enclosure on that ground; but otherwise, as you have said, provisions were made for allotment grounds, recreation grounds, and so on. Then there is a very important feature, that where modern enclosures take place they are only allowed upon the understanding that the public shall have full access for recreation, and so on, over the lands not cultivated, or not planted, and if it is useful to the Committee I can give each of the cases to which I have referred; there are eight of them.

1047. Your committee have taken the opportunity of these enclosure schemes to secure to the public the right of user of lands which remain unenclosed?—Of the lands which remain technically enclosed, but not cultivated.

1048. Will you give the instances to the Committee?—In 1880 there was the case of land called Hendybank Common, in the county of Radnor. Then there is the case of Llandegley Rhos, also in Radnorshire. Then, in 1882, there were the cases of Arkleside, in the parish of Coverham, in Yorkshire, and Bettws Disserth, in the county of Radnor. Then, in 1885, there was the case of Llanybyther, in Carmarthenshire; in all those cases there was a reservation to the inhabitants of the neighbourhood and the public of "the privilege at all times of enjoying air, exercise, and recreation upon all such parts of the land to be inclosed as shall not be planted or broken up for cultivation, and that in all fences inclosing such parts, gates or stiles shall be placed at convenient intervals not exceeding a quarter of a mile apart for the purpose of securing public access, provided that in the enjoyment of the privilege thus reserved no injury shall be done to the lands or to the herbage, or the fences, or anything thereon." This land, I understand, is not to be in any way cultivated, it is only to be used as waste ground.

1049. Then, besides those inclosures, there have been numerous cases of late years of regulating commons?—Certainly.

1050. In those cases the rights of lords and commoners are put under strict regulations by the Legislature for the purpose of securing that, the public shall have the right of using the lands, so far as is consistent with their other rights?—That is so; it is a practical dedication of the land to the public, subject to the rights of the lords and commoners.

1051. Now, taking these cases as illustrations, if this measure is passed into law, securing to the War Office the use of those lands for the purpose of rifle shooting and doing away with certain rights of way, do you consider there should be security for the continued user by the public of the land for the purpose of enjoyment and recreation at such times as the War Office do not want the

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Mr. *Shaw Lefevre*—continued.

the land for the purpose of rifle practice?—Yes, it seems to me that this scheme is directly opposed to the whole policy of Parliament in connection with open spaces, both in the way of inclosure, pure and simple, and also in the case of taking land for public works. Parliament makes exceptional provision when allowing commonable land to be taken for the purpose of railways, waterworks, or anything of that sort, if it is absolutely necessary to take them; but if these lands are only used for specified purposes, and public purposes, I am quite clear that such a clause would be inserted as to permit the lands when they are not used for that specific purpose, to be used by the public as recreation grounds; and as I understand this Bill is merely to protect the public during the period of specified user of the ground, I see no reason in the world why public rights and private rights should not be all exercised during the periods when the land is not being used for rifle shooting, because, when you come to consider it, there are very considerable periods when rifle shooting certainly will never take place. On Sundays I do not suppose it would take place, and probably not on public holidays, and very likely not on one day of the week. I do not know what the Government regulations are as regards rifle practice, but it is quite possible it does not take place on Saturday afternoons; then, again, after dark, the public may want to traverse this land, and why should they not.

1052. The effect will be to cut off access from the whole of the country on one side of this land to the other?—Completely, as far as I can see; there will be a distance of nearly four miles between any two public roads, and also there will be a block of about 12 square miles of country which will be a waste over which bullets will travel, but the public will not have access to it.

1053. You consider that consistently with the user of this land for rifle ranges, securing to the War Office and to the Volunteers the power of shooting over these districts, it would still be right and proper that the public interest should be secured at other times?—Yes, I think so.

1054. That access should be given to the public across these districts, and that they should not be deprived of using the land for the purpose of recreation as they now do?—I see no reason why the public user should not be reserved, and I do not see any practical difficulty in doing it.

1055. There would be two ways of reserving that user, one by giving a specific right to the public to use the land on holidays and Sundays, and at such times as it is not used for rifle practice; the other would be by preserving tracks and ways for the use of the public when the shooting does not take place?—Yes; suspending the rights during times of danger to the public.

1056. Leaving the rights existing at other times?—Yes.

1057. The effect of making them "suspended" would practically be to leave to the public the user of this land on holidays and Sundays, and at other times when not specially in use?—Yes, I think it would.

1058. Having regard to the fact that this district is at no great distance from London, and that the surrounding population is gradually increasing, do you consider that the user by the public is of very great value?—I do, indeed; very great; and the fact of the National Rifle Association going down there will be a great attraction; very fast trains run to Brookwood now, and no doubt every year the user of the public will increase.

1059. Are there portions of the common which appear not to be within the range of possible rifle practice which are now crossed by numerous footpaths and roads, especially up in the north-east corner?—Yes.

1060. Footpaths and tracks, the diversion or stoppage of which would not in any degree be in the interest of rifle shooting?—No; I think that may be said to be practically demonstrated in this way, that one of the proposed new roads goes right across the north-east corner, so I assume that is out of danger. Then there are trackways right across this new road.

1061. The effect of this Bill would be to enable the War Office at any point to stop up the roads and do away with them?—So I understand it.

1062. And having done so they might sell the land?—Yes; I take it they would be absolute owners, unfettered in any shape.

1063. Is it the fact that they have sold some outlying parts already?—That I have only heard stated; I have no knowledge of it.

Mr. *Edwards-Moss.*

1064. How many miles of paths are there, do you think?—I have not measured them; I have heard that it had been stated in evidence, but I have personally not measured it.

1065. It was stated by one witness as 70 miles; would you think there would be so much?—I would not like to hazard an opinion; I should say it could not be far short, if you measured them all.

Chairman.

1046. Mr. Pain wants this question asked with reference to the camp at Pirbright; how long does it last; do you know anything about it?—No; I do not know anything about it; that is not the National Rifle Association Camp.

1067. Do you consider the rifle butts at present existing, and those proposed, would in any way interfere with those roads or tracks between Manistone Gate and the canal; could it be made with perfect safety without interference with the present roads or future ones?—It would seem to me to be out of the way altogether.

1068. You have told Mr. Shaw Lefevre that practically the access of the public from side to side would be shut up for four miles from north to south; did you know that there was a road existing along the canal?—I take the canal and the railway as one line; I mean between the canal and the railway and the proposed new roads (having measured the distance upon the plan), what I said was that it was four miles between the new blue road and the green.

1069. That conveyed an impression that there was no means of access by the canal?—I did not mean to say that.

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Mr. *Shaw Lefevre.*

1070. What is the distance from the canal to the extreme north?—Above three miles.

1071. And from the canal to the extreme south?—That is about three miles; but I am not aware of any public right along the canal; there is a towpath, but I do not know that there is any public right of way.

[The Witness withdrew.

The Committee-room was cleared.

After a short time the Counsel and parties were again called in.

Chairman.] The Committee approve of the preamble of the Bill, and they have agreed to make certain alterations in the clauses when they come forward. The Committee sanction the roads at present shown in the Bill with no alteration expect that the blue road No. 3 instead of terminating near West Hall Farm will terminate at Cook's Green, a little further north. With regard to the other roads which have been brought before the Committee, the Committee will insert in the Bill a road from Frimley Grove to Heatherside connecting with roads No. 2 and No. 1, and which will be metalled by the War Department and taken over by the Highway Board. They will also insert in the Bill the road coloured brown on the plan, No. 4, extending from close to Deepcut Bridge up to Furze Hill Pond, for the convenience of the neighbouring landowners, and they are willing to carry the road No. 3 to a connection at the west with the cross road to the north of Mitchett, provided the landowners concerned are willing to give the land, outherwise the road will be carried out as shown on the plan. Beyond that the Committee, recognising that some access should be given to Mr. Pain on the north from Colony Gate to the new road, will insert in the Bill a provision that wherever the road from Deepcut Bridge to Colony Gate, which has been made by Mr. Pain, is taken over by the Highway Board, the War Department will then metal the road from Colony Gate as far as Heatherside. The Committee have considered generally the arguments which have been addressed to them as regards the complete closing up of the commons in the interest of the public, and they have decided to preserve from east to west, both north and south of the canal, a connection between the two sides of the common by a track; and they will add as a rider to clause 6, and after clause 6, sub-section 1, these words, "Provided that a right of way over a track or unmetalled road, subject to the provisions of clause 5, shall be preserved to the public on War Department ground from Colony Gate to Mainstone Gate, and thence in an easterly direction across the common towards the village of Bisley, and that a similar right of way, subject to the provisions of clause 5, shall be preserved to the public, running from the neighbourhood of Mitchett Hill in an easterly direction towards Pirbright Lodge." These rights of way will be made available for foot-passengers and for riding, but they will not be metalled roads; with power of course under clause 5 of suspension when firing is taking place.

The Preamble was read, and, with amendments, agreed to.

The Clauses were read and agreed to, with amendments.

Mr. *Lyttelton* asked the Committee whether they would entertain an application for Mr. Pain's costs.

The Committee deliberated.

Chairman.] The view of the Committee is this: they think they have thoroughly met Mr. Pain's claims; but if it would satisfy Mr. Pain they would be willing to make an order as to his costs, but they do not wish to make such an order as if he were an aggrieved party, as if his claim had not been satisfied, and as if it were open to him to interrupt the further progress of a Bill having a great public object.

Mr. *Lyttelton.*] Of course we would like to see the Bill in its amended form. I understand, on condition that there is no further opposition, the Committee would be disposed to allow the costs.

Chairman.] That would be so. I think it would be possible to make it conditional in that way.

Mr. *Cameron.*] It would not come under the Costs Act.

Chairman.] If Mr. Pain gave an assurance of the kind suggested, there would be no difficulty.

The Chairman was directed to report the Bill, with the Amendments, to the House.

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REPORT

FROM THE

SELECT COMMITTEE

ON

ALDERSHOT ROADS BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE,

Ordered, by The House of Commons, *to be Printed*,
14 *July* 1890.

[*Price* 6 *d.*]

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REPORT

FROM THE

STANDING COMMITTEE

ON

TRADE (INCLUDING AGRICULTURE AND FISHING), SHIPPING, AND MANUFACTURES,

ON THE

BANKRUPTCY BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

Ordered, by The House of Commons, *to be Printed*,
30 *June* 1890.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
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and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

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PROCEEDINGS OF THE COMMITTEE - - - - - - - - p. 6

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1890.

STANDING COMMITTEE ON TRADE (INCLUDING AGRICULTURE AND FISHING), SHIPPING, AND MANUFACTURES.

[*Wednesday*, 19*th March* 1890]:—Bankruptcy Bill read a second time, and committed to the Standing Committee on Trade (including Agriculture and Fishing), Shipping, and Manufactures.

[*Wednesday*, 12*th March* 1890]:—Committee nominated of Sixty-eight Members—

Mr. Addison.
Mr. Asher.
Mr. Barnes.
Mr. Baring.
Mr. Barran.
Sir Michael Hicks Beach.
Sir Edward Birkbeck.
Mr. Bolitho.
Mr. J. C. Bolton.
Mr. Bonsor.
Mr. Boord.
Mr. A. H. Brown.
Mr. Brunner.
Mr. Burt.
Mr. Joseph Chamberlain.
Mr. Childers.
Mr. Colman.
Mr. W. J. Corbet.
Sir James Corry.
Mr. Craig.
Sir Charles Dalrymple.
Mr. Stormonth Darling.
Baron Henry De Worms.
Mr. Dixon Hartland.
Sir George Elliot.
Mr. T. E. Ellis.
Colonel Eyre.
Mr. Hayes Fisher.
Mr. R. U. Penrose FitzGerald.
Mr. Gilliat.
Sir Julian Goldsmid.
Mr. Grotrian.
Mr. A. W. Hall.
Sir William Houldsworth.
Mr. Howell.
Mr. Hoyle.
Mr. Jackson.
Mr. William Lowther.
Sir John Lubbock.
Mr. Peter M'Donald.
Mr. M'Lagan.
Mr. Mundella.
Mr. Muntz.
Mr. Murphy.
Sir Stafford Northcote.
Mr. T. P. O'Connor.
Sir Richard Paget.
Mr. Parnell.
Sir Joseph Pease.
Mr. Richard Power.
Mr. Rathbone.
Mr. Edmund Robertson.
Mr Round.
Mr. Sexton.
Mr. Sheil.
Mr. William P. Sinclair.
Mr. Samuel Smith.
Mr. Ernest Spencer.
Mr. Mark Stewart.
Mr. T. D. Sullivan.
Mr. Tomlinson.
Sir Richard Webster.
Mr. Wharton.
Mr. Whitley.
Mr. S. Williamson.
Mr. C. H. Wilson.
Mr. Winterbotham.
Mr. Wood.

[*Monday* 17*th March* 1890]:—Mr. Arthur O'Connor appointed to act as Chairman of the Standing Committee on Trade (including Agriculture and Fishing), Shipping, and Manufactures.

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[*Friday*, 28*th March* 1890]:—Sir John Mowbray reported from the Committee of Selection; That they had added to the Standing Committee on Trade (including Agriculture and Fishing), Shipping, and Manufactures, the following Fifteen Members, in respect of the Bankruptcy Bill, viz.:—Mr. T. H. Bolton, Mr. Caine, Mr. J. A. Campbell, Mr. Chance, Mr. Handel Cossham, Sir Robert Fowler, Mr. H. H. Fowler, Mr. Gedge, Mr. Haldane, Sir E. Harland, Colonel Hill, Mr. Kelly, Sir Joseph M'Kenna, Mr. J. Lloyd Morgan, and Sir Albert Rollit.

[*Thursday*, 17*th April* 1890]:—*Ordered*, That the Standing Committee on Trade (including Agriculture and Fishing) Shipping, and Manufactures, have leave to print and circulate with the Votes the Minutes of their Proceedings from day to day.

[*Thursday*, 24*th April* 1890]:—*Ordered*, That the Standing Committee on Trade (including Agriculture and Fishing), Shipping, and Manufactures, have leave to print and circulate with the Votes from day to day any amended clauses of Bills committed to them from time to time.

[*Friday*, 25*th April* 1890]:—Mr. Wharton discharged from the Standing Committee on Trade (including Agriculture and Fishing), Shipping, and Manufactures, and Mr. Tapling added in substitution.

[*Tuesday*, 29*th April* 1890]:—Mr. Henry Fowler discharged from the Standing Committee on Trade (including Agriculture and Fishing), Shipping, and Manufactures, in respect of the Bankruptcy Bill, and Mr. Causton appointed in substitution.

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REPORT.

THE STANDING COMMITTEE on TRADE (including AGRICULTURE and FISHING), SHIPPING, and MANUFACTURES, to whom the BANKRUPTCY BILL was referred;——HAVE gone through the BILL, and made Amendments thereunto.

30 *June* 1890.

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PROCEEDINGS OF THE STANDING COMMITTEE ON TRADE (INCLUDING AGRICULTURE AND FISHING), SHIPPING, AND MANUFACTURES.

Thursday, 5th June 1890.

MEMBERS PRESENT:

Mr. ARTHUR O'CONNOR in the Chair.

Mr. Addison.
Mr. Attorney General.
Mr. Barnes.
Mr. Barran.
Sir Michael Hicks Beach.
Sir Edward Birkbeck.
Mr. Bolitho.
Mr. J. C. Bolton.
Mr. T. H. Bolton.
Mr. Boord.
Mr. Gainsford Bruce.
Mr. Burt.
Mr. J. A. Campbell.
Mr. Causton.
Mr. Joseph Chamberlain.
Mr. Childers.
Mr. Colman.
Mr. Craig.
Sir Charles Dalrymple.
Mr. Dixon-Hartland.
Sir George Elliot.
Colonel Eyre.
Mr. R. U. Penrose FitzGerald.
Mr. Gedge.
Sir Julian Goldsmid.
Mr. Grotrian.
Mr. A. W. Hall.
Colonel Hill.
Sir William Houldsworth.
Mr. Howell.
Mr. Kelly.
Mr. Lawson.
Mr. William Lowther.
Sir John Lubbock.
Sir Joseph M'Kenna.
Mr. Lloyd Morgan.
Mr. Mundella.
Sir Stafford Northcote.
Mr. Rathbone.
Sir Albert Rollit.
Mr. Round.
Mr William P. Sinclair.
Mr. Samuel Smith.
Mr. Mark Stewart.
Mr. Tapling.
Mr. Tomlinson.
Mr. Whitley.
Mr. S. Williamson.

BANKRUPTCY BILL.

Preamble postponed.

Clause 1 amended.

Another Amendment proposed, in page 1, line 13, to leave out the word "seven," in order to insert the word "fourteen"—(Mr. *Kelly*).—Question, That the word "seven" stand part of the Clause,—put, and *negatived*.

Question put, That the word "fourteen" be there inserted.—The Committee divided:

Ayes, 18.	Noes, 16.
Mr. Barran.	Mr. Barnes.
Sir Michael Hicks Beach.	Sir Edward Birkbeck.
Mr. Bolitho.	Mr. J. C. Bolton.
Mr. Boord.	Mr. T. H. Bolton.
Mr. Gainsford Bruce.	Mr. J. A. Campbell.

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Ayes —*continued.*

Mr. Burt.
Mr. Joseph Chamberlain.
Sir Charles Dalrymple.
Mr. Dixon-Hartland.
Mr. Grotrian.
Colonel Hill.
Sir John Lubbock.
Sir Stafford Northcote.
Mr. Rathbone.
Sir Albert Rollitt.
Mr. William P. Sinclair.
Mr. Samuel Smith
Mr. S. Williamson.

Noes—*continued.*

Mr. Craig.
Colonel Eyre.
Mr. R. U. Penrose FitzGerald.
Mr. Gedge.
Mr. A. W. Hall.
Mr. Kelly.
Sir Joseph M'Kenna.
Mr. J. Lloyd Morgan.
Mr. Tapling.
Mr. Tomlinson.
Mr. Whitley.

Another Amendment made.

Another Amendment proposed, in page 1, line 14, to leave out Sub-section (b)—(Mr. *Tomlinson*).—Question put, That the words "If he suspends payment of his debts," stand part of the Clause.—The Committee divided:

Ayes, 8.

Mr. Barran.
Mr. Burt.
Mr. Joseph Chamberlain.
Sir Charles Dalrymple.
Colonel Hill.
Mr. Howell.
Mr. Mundella.
Mr. Tapling.

Noes, 33.

Mr. Addison.
Mr. Attorney General.
Mr. Barnes.
Sir Michael Hicks Beach.
Sir Edward Birkbeck.
Mr. Bolitho.
Mr. J. C. Bolton.
Mr. T. H. Bolton.
Mr. Boord.
Mr. Gainsford Bruce.
Mr. J. A. Campbell.
Mr. Craig.
Mr. Dixon-Hartland.
Sir George Elliot.
Colonel Eyre.
Mr. R. U. Penrose FitzGerald.
Mr. Gedge.
Sir Julian Goldsmid.
Mr. Grotrian.
Mr. A. W. Hall.
Sir William Houldsworth.
Mr. Kelly.
Sir John Lubbock.
Sir Joseph M'Kenna.
Mr. J. Lloyd Morgan.
Sir Stafford Northcote.
Mr. Rathbone.
Sir Albert Rollit.
Mr. William P. Sinclair.
Mr. Samuel Smith.
Mr. Tomlinson.
Mr. Whitley.
Mr. S. Williamson.

Another Amendment proposed at the end of the Clause, to add the following Sub-section: "If, being a trader, he has absented himself from his ordinary place of business so that a writ of summons in an action by a creditor cannot be served upon him, and any court has allowed substituted service of such writ"—(Mr. *Tomlinson*)—Question proposed, That those words be there added.—Amendment, by leave, *withdrawn*.—Clause, as amended, *agreed to*.

Clauses 2—5, *disagreed to*.

Clause 6.—Amended, and *agreed to*.

Clause 7.—Amended.

Another Amendment proposed, in page 2, line 39, to leave out the words "in such case"—(Mr. *Taplin*.)—Question put, That the words "in such case" stand part of the Clause.—The Committee divided:

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Ayes, 30.

Mr. Addison.
Mr. Attorney General.
Mr. Barran.
Sir Michael Hicks Beach.
Mr. Bolitho
Mr. J. C. Bolton.
Mr. T. H. Bolton.
Mr. J. A. Campbell.
Mr. Causton.
Mr. Joseph Chamberlain.
Mr. Childers
Mr. Coleman.
Mr. Craig.
Mr. Charles Dalrymple.
Mr. Dixon-Hartland.
Mr. Gedge.
Sir Julian Goldsmid.
Mr. Grotrian.
Mr. A. W. Hall.
Mr. Howell.
Mr. Lawson.
Mr. William Lowther.
Sir Joseph M'Kenna.
Mr. Mundella.
Mr. Rathbone.
Sir Albert Rollit.
Mr. Samuel Smith.
Mr. Mark Stewart.
Mr. Tomlinson.
Mr. Whitley.

Noes, 6.

Mr. Boord.
Mr. Bruce Gainsford.
Mr. Kelly.
Sir Stafford Northcote.
Mr William P. Sinclair.
Mr. Tapling.

Another Amendment proposed, in page 3, line 5, to leave out the words "when approved by the court"—(Mr *Tapling*).—Question put, That the words proposed to be left out stand part of the Clause.—The Committee divided:

Ayes, 29.

Mr. Addison.
Mr. Attorney General.
Mr. Barran.
Sir Michael Hicks Beach.
Mr. Bolitho.
Mr. J. C. Bolton.
Mr. Gainsford Bruce.
Mr. J. A. Campbell.
Mr. Causton
Mr. Childers.
Mr. Colman.
Mr. Craig.
Sir Charles Dalrymple.
Mr. Dixon-Hartland.
Mr. Gedge.
Sir Julian Goldsmid.
Mr. Grotrian
Mr. Howell.
Mr. Lawson.
Mr. William Lowther.
Mr. Mundella.
Sir Stafford Northcote.
Mr. Rathbone.
Sir Albert Rollit.
Mr. William P. Sinclair.
Mr. Samuel Smith
Mr. Mark Stewart.
Mr. Tomlinson.
Mr. Whitley.

Noes, 5.

Mr. T. H. Bolton.
Mr. Boord.
Mr. Kelly.
Sir Joseph M'Kenna.
Mr. Tapling.

[Adjourned till Monday next, at Twelve o'clock.

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Monday, 9th June 1890.

MEMBERS PRESENT:

Mr. ARTHUR O'CONNOR in the Chair.

Mr. Addison.
Mr. Attorney General.
Mr. Baring.
Mr. Barnes.
Mr. Barran.
Sir Michael Hicks Beach.
Mr. J. C. Bolton.
Mr. T. H. Bolton.
Mr. Boord.
Mr. A. H. Brown.
Mr. Gainsford Bruce.
Mr. Brunner.
Mr. Burt.
Mr. J. A. Campbell.
Mr. Causton.
Mr. Joseph Chamberlain.
Mr. Childers.
Mr. Colman.
Sir James Corry.
Mr. Craig.
Sir Charles Dalrymple.
Mr. Dixon-Hartland.
Colonel Eyre.
Mr. Gedge.
Sir Julian Goldsmid.
Mr. Grotrian.
Mr. A. W. Hall.
Colonel Hill.
Mr. Kelly.
Mr. William Lowther.
Sir John Lubbock.
Mr. Peter M'Donald.
Sir Joseph M'Kenna
Mr. M'Lagan.
Mr. Mundella.
Mr. Murphy.
Sir Stafford Northcote.
Mr. Rathbone.
Sir Albert Rollit.
Mr. Round.
Mr. William P. Sinclair.
Mr. Samuel Smith.
Mr. Mark Stewart.
Mr. Tomlinson.
Mr. Whitley.
Mr. C. H. Wilson.

Clause 7, *further considered* and amended.

Another Amendment proposed, in page 3, line 22, to leave out Sub-section 6—(Mr. *Kelly*).—Question put, That Sub-section 6 stand part of the Clause.—The Committee divided:

Ayes, 15.	Noes, 19.
Mr. Addison.	Mr. Baring.
Mr. Attorney General.	Mr. J. C. Bolton.
Mr. Barran.	Mr. T. H. Bolton.
Sir Michael Hicks Beach.	Mr. Boord.
Mr. Joseph Chamberlain.	Mr. Gainsford Bruce.
Mr. Childers.	Mr. Brunner.
Sir Charles Dalrymple.	Mr. Burt.
Mr. Grotrian.	Mr. J. A. Campbell.
Colonel Hill.	Mr. Causton.
Mr. William Lowther.	Mr. Colman.
Sir John Lubbock.	Mr. Craig.
Sir Stafford Northcote.	Mr. Dixon-Hartland.
Mr. Rathbone.	Colonel Eyre.
Sir Albert Rollit.	Mr. Gedge.
Mr. Samuel Smith.	Mr. Kelly.
	Sir Joseph M'Kenna.
	Mr. William P. Sinclair.
	Mr. Tomlinson.
	Mr. Whitley.

Another Amendment proposed, in page 3, line 32, to leave out Sub-section 8—(Mr. *T. H. Bolton*).—Question proposed, That Sub-section 8 stand part of the Clause.

Amendment, by leave, *withdrawn*.

Another Amendment proposed, in page 3, line 35, to leave out the words "the official receiver or "—(Sir *John Lubbock*).—Question put, That the words proposed to be left out stand part of the Clause.—The Committee divided:

Ayes, 28.	Noes, 15.
Mr. Addison.	Mr. J. C. Bolton.
Mr. Attorney General.	Mr. T. H. Bolton.
Mr. Baring.	Mr. Boord.
Mr. Barran.	Mr. Brunner.
Sir Michael Hicks Beach.	Mr. Causton.

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Ayes—*continued.*

Mr. A. H. Brown.
Mr. Gainsford Bruce.
Mr. J. A. Campbell.
Mr. Joseph Chamberlain.
Mr. Childers.
Sir James Corry.
Sir Charles Dalrymple.
Colonel Eyre.
Mr. Grotrian.
Colonel Hill.
Mr. William Lowther.
Mr. Peter M'Donald.
Mr. M'Lagan.
Mr. Mundella.
Sir Stafford Northcote.
Mr. Rathbone.
Sir Albert Rollit.
Mr. Round.
Mr. Samuel Smith.
Mr. Mark Stewart.
Mr. Tomlinson.
Mr. Whitley.
Mr. C. H. Wilson.

Noes—*continued.*

Mr. Colman.
Mr. Craig.
Mr. Dixon-Hartland.
Mr. Gedge.
Sir Julian Goldsmid.
Mr. A. W. Hall.
Mr. Kelly.
Sir John Lubbock.
Sir Joseph M'Kenna.
Mr. William P. Sinclair.

Another Amendment proposed, in page 3, line 36, to leave out Sub-section 9—(Mr. *T. H. Bolton*).—Question, That Sub-section 9 stand part of the Clause,—put, and *agreed to.*

Clause, as amended, *agreed to.*

Clause 8, *amended.*

Another Amendment proposed, in page 4, line 10, to leave out the word "Sub-sections" in order to insert the word "Sub-section"—(Mr. *Joseph Chamberlain*).—Question, That the word "Sub-sections" stand part of the Clause,—put, and *negatived.*

Question, That the word "Sub-section" be there inserted,—put, and *negatived.*

Clause, further amended, and *agreed to.*

Clause 9, *amended.*

Another Amendment proposed, in page 4, line 22, to leave out Sub-section (b)—(Mr. *T. H. Bolton*).—Question, That "Sub-section (b)" stand part of the Clause,—put, and *negatived.*

Another Amendment proposed, in page 4, line 30, after the word "gambling" to insert the words "or habitual intoxication"—(Mr. *Dixon Hartland*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 10.

Mr. Addison.
Mr. T. H. Bolton.
Mr. A. H. Brown.
Mr. Brunner.
Mr. Childers.
Mr. Dixon-Hartland.
Mr. Grotrian.
Mr. M'Lagan.
Mr. Mundella.
Mr. Round.

Noes, 26.

Mr. Baring.
Mr. Barnes.
Mr. Barran.
Sir Michael Hicks Beach.
Mr. J. C. Bolton.
Mr. Gainsford Bruce.
Mr. J. A. Campbell.
Mr. Causton.
Mr. Colman.
Sir James Corry.
Mr. Craig.
Sir Charles Dalrymple.
Mr. Gedge.
Sir Julian Goldsmid.
Mr. A. W. Hall.
Colonel Hill.
Mr. Kelly.
Mr. Peter M'Donald.
Sir Joseph M'Kenna.
Mr. Rathbone.
Sir Albert Rollit.
Mr. William P. Sinclair.
Mr. Samuel Smith.
Mr. Mark Stewart.
Mr. Tomlinson.
Mr. Whitley.

Another

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Another Amendment proposed, in page 4, line 32, to leave out Sub-section (e)—(Mr. *Kelly*).—Question put, That the words "That the bankrupt" stand part of the Clause.—The Committee divided:

Ayes, 24.	Noes, 9.
Mr. Addison.	Mr. Baring.
Mr. Barnes.	Mr. Barran.
Sir Michael Hicks Beach.	Mr. Causton.
Mr. J. C. Bolton.	Sir Charles Dalrymple.
Mr. Gainsford Bruce.	Mr. Kelly.
Mr. Brunner.	Sir Joseph M'Kenna.
J. A. Campbell.	Mr. Murphy.
Mr. Childers.	Mr. Round.
Mr. Colman.	Mr. Tomlinson.
Sir James Corry.	
Mr. Craig.	
Mr. Dixon-Hartland.	
Mr. Gedge.	
Sir Julian Goldsmid.	
Mr. A. W. Hall.	
Colonel Hill.	
Mr. Peter M'Donald.	
Mr. M'Lagan.	
Mr. Mundella.	
Mr. Rathbone.	
Sir Albert Rollit.	
Mr. William P. Sinclair.	
Mr. Samuel Smith.	
Mr. Whitley.	

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 12*th June* 1890.

MEMBERS PRESENT:

Mr. ARTHUR O'CONNOR in the Chair.

Mr. Baring.	Colonel Hill.
Mr. Barnes.	Sir William Houldsworth.
Mr. Barran.	Mr. Howell.
Sir Michael Hicks Beach.	Mr. W. L. Jackson.
Sir Edward Birkbeck.	Mr. Kelly.
Mr. J. C. Bolton.	Mr. Lawson.
Mr. H. T. Bolton.	Sir John Lubbock.
Mr. Boord.	Mr. Peter M'Donald.
Mr. Gainsford Bruce.	Sir Joseph M'Kenna.
Mr. Brunner.	Mr. Lloyd Morgan.
Mr. Causton.	Mr. Mundella.
Mr. Joseph Chamberlain.	Sir Richard Paget.
Mr. Childers.	Mr. Rathbone.
Mr. Colman.	Sir Albert Rollit.
Mr. Craig.	Mr. William P. Sinclair.
Baron Henry De Worms.	Mr. Samuel Smith.
Mr. Dixon-Hartland.	Mr. Ernest Spencer.
Mr. R. U. Penrose Fitzgerald.	Mr. Mark Stewart.
Mr. Gedge.	Mr. Tapling.
Sir Julian Goldsmid.	Mr. Tomlinson.
Mr. A. W. Hall.	Mr. Whitley.
Sir E. Harland.	

Clause 9 further considered.

Another Amendment proposed, in page 4, line 32, to leave out the words "put any of his creditors to" in order to insert the words "within three months preceding the date of the receiving order incurred"—(Sir *Albert Rollit*).—Question, That the words proposed to be left out stand part

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of the Clause,—put and *negatived*.—Question put, That the proposed words be there inserted.—The Committee divided:

Ayes, 18.	Noes, 8.
Mr. Barnes.	Mr. Baring.
Mr. Barran.	Mr. T. H. Bolton.
Sir Michael Hicks Beach.	Mr. Craig.
Mr. J. C. Bolton.	Mr. Dixon-Hartland.
Mr. Gainsford Bruce.	Mr. Gedge.
Mr. Causton.	Mr. Kelly.
Baron Henry De Worms.	Mr. William P. Sinclair.
Mr. R. U. Penrose FitzGerald.	Mr. Tomlinson.
Sir Julian Goldsmid.	
Mr. A. W. Hall.	
Colonel Hill.	
Sir William Houldsworth.	
Sir John Lubbock.	
Mr. J. Lloyd Morgan.	
Sir Albert Rollit.	
Mr. Samuel Smith.	
Mr. Tapling.	
Mr. Whitley.	

Further Amendments made.

Another Amendment proposed, in page 4, line 38, to leave out the words "suspend the discharge of the bankrupt for a period of not"—(Mr. *Dixon Hartland*).—Question, That the words proposed to be left out stand part of the Clause,—put, and *agreed to*.

Another Amendment proposed, in page 4, line 39, to leave out the word "five" in order to insert the word "two"—(Mr. *Kelly*).—Question, That the word "five" stand part of the Clause,—put, and *negatived*.—Question proposed, That the word "two" be there inserted.

Amendment proposed to proposed Amendment, to leave out the word "two" in order to insert the word "one"—(Sir *Julian Goldsmid*).—Question put, That the word "two" be there inserted.—The Committee divided:

Ayes, 23.	Noes, 10.
Mr. Baring.	Mr. J. C. Bolton.
Mr. Barnes.	Mr. T. H. Bolton.
Mr. Barran.	Mr. Brunner.
Sir Michael Hicks Beach.	Mr. Causton.
Sir Edward Birkbeck.	Mr. Colman.
Mr. Gainsford Bruce.	Mr. Craig.
Mr. Joseph Chamberlain.	Mr. Gedge.
Baron Henry De Worms.	Sir Julian Goldsmid.
Mr. Dixon-Hartland.	Mr. A. W. Hall.
Mr. R. U. Penrose FitzGerald.	Mr. Lloyd Morgan.
Colonel Hill.	
Sir William Houldsworth.	
Mr. Howell.	
Mr. W. L. Jackson.	
Mr. Kelly.	
Mr. Peter M'Donald.	
Mr. Rathbone.	
Sir Albert Rollit.	
Mr. William P. Sinclair.	
Mr. Samuel Smith.	
Mr. Tapling.	
Mr. Tomlinson.	
Mr. Whitley.	

Another Amendment proposed in the same line, after the word "years" to insert the following words: "Suspend the discharge of the bankrupt for a period of not more than years, but such suspension shall be determined by the court upon the bankrupt satisfying the court that a dividend of not less than 10*s*. in the £. has been paid to the creditors"—(Mr. *Gedge*).—Question put, That those words be there inserted. The Committee divided:

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Ayes, 2.	Noes, 23.
Mr. Brunner.	Mr. Baring.
Mr. Gedge.	Sir Michael Hicks Beach.
	Sir Edward Birkbeck.
	Mr. J. C. Bolton.
	Mr. T. H. Bolton.
	Mr. Gainsford Bruce.
	Mr. Causton.
	Mr. Joseph Chamberlain.
	Mr. Colman.
	Mr. Craig.
	Baron Henry De Worms.
	Mr. Dixon-Hartland.
	Sir Julian Goldsmid.
	Mr. A. W. Hall.
	Colonel Hill.
	Mr. Kelly.
	Mr. Peter M'Donald.
	Mr. J. Lloyd Morgan.
	Sir Albert Rollit.
	Mr. Samuel Smith.
	Mr. Tapling.
	Mr. Tomlinson.
	Mr. Whitley.

Another Amendment proposed, in page 4, line 42, after the word "creditors" to insert the following words: "Or until a period of not less than two years has elapsed which ever shall first happen"—(Mr. *Gedge*).—Question, That those words be there inserted;—put, and *negatived.*

Another Amendment proposed, in page 5, line 1, to leave out Sub-section (iii)—(Mr. *Dixon-Hartland*).—Question, That Sub-section (iii) stand part of the Clause,—put, and *agreed to.*

Futher Amendments made.

Another Amendment proposed, in page 5, line 14, to leave out Sub-section (4)—(Mr. *Tomlinson*).—Question, That Sub-section (4) stand part of the Clause,—put, and *negatived.*

Another Amendment proposed, in page 5, line 18, to leave out Sub-section (5)—(Mr. *T. H. Bolton*).—Question, That Sub-section (5) stand part of the Clause,—put, and *negatived.*

[Adjourned till Monday next, at Twelve o'clock.

Monday, 16*th June* 1890.

MEMBERS PRESENT:

Mr. ARTHUR O'CONNOR in the Chair.

Mr. Addison.	Mr. Gilliat.
Mr. Baring.	Sir Julian Goldsmid.
Mr. Barnes.	Sir E. Harland.
Sir Michael Hicks Beach.	Colonel Hill.
Sir Edward Birkbeck.	Sir William Houldsworth.
Mr. J. C. Bolton.	Mr. Kelly.
Mr. T. H. Bolton.	Sir John Lubbock.
Mr. Gainsford Bruce.	Mr. Peter M'Donald.
Mr. J. A. Campbell.	Sir Joseph M'Kenna.
Mr. Causton.	Mr. Lloyd Morgan.
Mr. Childers.	Mr. Mundella.
Mr. Colman.	Sir Joseph Pease.
Sir James Corry.	Mr. Rathbone.
Mr. Craig.	Sir Albert Rollit.
Sir Charles Dalrymple.	Mr. Round.
Mr. Dixon-Hartland.	Mr. William P. Sinclair.
Sir George Elliot.	Mr. Samuel Smith.
Colonel Eyre.	Mr. Mark Stewart.
Mr. R. U. Penrose FitzGerald.	Mr. Tapling.
Mr. Gedge.	Mr. Whitley.

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Clause 9, further considered,—amended, and *agreed to*.

Clause 10, *disagreed to*.

Clause 11.—Amendment proposed, in page 6, line 1, to leave out from the word "If" to the word "proposal" in line 6—(Mr. *Kelly*).—Question put, That the words "If the court is of opinion" stand part of the Clause.—The Committee divided:

Ayes, 15.	Noes, 11.
Sir Michael Hicks Beach.	Mr. Baring.
Mr. Gainsford Bruce.	Sir Edward Birkbeck.
Sir Charles Dalrymple.	Mr. J. C. Bolton.
Mr. Dixon-Hartland.	Mr. Colman.
Mr. Gilliat.	Mr. Craig.
Sir E. Harland.	Colonel Eyre.
Colonel Hill.	Sir Julian Goldsmid.
Mr. Peter M'Donald.	Mr. Kelly.
Mr. Rathbone.	Sir John Lubbock.
Sir Albert Rollit.	Mr. Lloyd Morgan.
Mr. Round.	Mr. Tapling.
Mr. William P. Sinclair.	
Mr. Samuel Smith.	
Mr. Mark Stewart.	
Mr. Whitley.	

Another Amendment proposed, in page 6, line 5, to leave out the word "shall" in order to insert the words "may in its discretion"—(Mr. *Dixon-Hartland*).—Question put, That the word "shall" stand part of the Clause.—The Committee divided:

Ayes, 8.	Noes, 17.
Sir Michael Hicks Beach.	Mr. Baring.
Mr. Gainsford Bruce.	Sir Edward Birkbeck.
Sir Charles Dalrymple.	Mr. J. C. Bolton.
Mr. Gilliat.	Mr. J. A. Campbell.
Colonel Hill.	Mr. Craig.
Mr. Peter M'Donald.	Mr. Dixon-Hartland.
Sir Albert Rollit.	Colonel Eyre.
Mr. Mark Stewart.	Sir Julian Goldsmid.
	Sir E. Harland.
	Mr. Kelly.
	Sir John Lubbock.
	Mr. J. Lloyd Morgan.
	Mr. Round.
	Mr. William P. Sinclair.
	Mr. Samuel Smith.
	Mr. Tapling.
	Mr. Whitley.

The words "may in its discretion" *inserted*.

Clause, as amended, *agreed to*.

Clause 12, amended, and *agreed to*.

Clauses 13—14, *disagreed to*.

Clause 15.—Amendment proposed, in page 7, line 24, to leave out the words "The Board of Trade may by order"—(Mr. *Dixon-Hartland*).—Question put, That the words "The Board of Trade may by order" stand part of the Clause.—The Committee divided.

Ayes, 12.	Noes, 9.
Mr. Addison.	Mr. Baring.
Mr. Barnes.	Mr. T. H. Bolton.
Sir Michael Hicks Beach.	Mr. Gainsford Bruce.
Mr. J. A. Campbell.	Mr. Craig.
Mr. Childers.	Mr. Dixon-Hartland.
Sir James Corry.	Sir Julian Goldsmid.
Sir E. Harland.	Mr. Kelly.
Sir John Lubbock.	Sir Joseph M'Kenna.
Mr. Mundella.	Mr. Tapling.
Sir Albert Rollit.	
Mr. William P. Sinclair.	
Mr. Whitley.	

Clause amended, and *agreed to*.

Clause 16.—

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Clause 16.—Amendment proposed, in page 7, line 29, to leave out the word "where"—(Mr. *Dixon-Hartland*).—Question, That the word "where" stand part of the Clause—put, and *negatived.*

Another Amendment proposed, in the same line, to leave out from the words "the remuneration" to the end of Sub-section (1)—(Mr. *Tapling*).—Question, That the words proposed to be left out stand part of the Clause—put, and *negatived.*

Another Amendment proposed, in page 7, line 39, to leave out the words "Board of Trade" in order to insert the word "creditors"—(Mr. *Kelly*).—Question put, That the words "Board of Trade" stand part of the Clause.—The Committee divided:

Ayes, 11.	Noes, 13.
Mr. Addison.	Mr. Baring.
Mr. Barnes.	Sir Edward Birkbeck.
Sir Michael Hicks Beach.	Mr. T. H. Bolton.
Mr. Childers.	Mr. Gainsford Bruce.
Sir James Corry.	Mr. J. A. Campbell.
Sir Charles Dalrymple.	Mr. Causton.
Sir William Houldsworth.	Mr. Craig.
Mr. Peter M'Donald.	Mr. Dixon-Hartland.
Mr. Mundella.	Mr. Kelly.
Sir Albert Rollit.	Sir Joseph M'Kenna.
Mr. William P. Sinclair.	Mr. Samuel Smith.
	Mr. Tapling.
	Mr. Whitley.

The word "creditors," *inserted.*

Clause, as amended, *agreed to.*

Clause 17.—Amended.

Another Amendment proposed, in page 8, line 6, to leave out Sub-section 2—(Mr. *Kelly*).—Question proposed, That the words "The power of the Board of Trade to remove a trustee" stand part of the Clause.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 19th June 1890.

MEMBERS PRESENT:

Mr. ARTHUR O'CONNOR in the Chair.

Mr. Addison.	Mr. Gedge.
Mr. Baring.	Sir Julian Goldsmid.
Mr. Barnes.	Mr. Grotrian.
Mr. Barran.	Sir E. Harland.
Sir Michael Hicks Beach.	Sir William Houldsworth.
Mr. T. H. Bolton.	Mr. W. L. Jackson.
Mr. Boord.	Mr. Kelly.
Mr. A. H. Brown.	Mr. William Lowther.
Mr. Gainsford Bruce.	Sir John Lubbock.
Mr. Burt.	Mr. Peter M'Donald.
Mr. J. A. Campbell.	Sir Joseph M'Kenna.
Mr. Causton.	Mr. Mundella.
Mr. Joseph Chamberlain.	Sir Stafford Northcote.
Mr. Childers.	Mr. Rathbone.
Mr. Colman.	Sir Albert Rollit.
Sir James Corry.	Mr. William P. Sinclair.
Mr. Craig.	Mr. Samuel Smith.
Mr. Stormonth Darling.	Mr. Mark Stewart.
Baron Henry De Worms.	Mr. Tapling.
Mr. Dixon-Hartland.	Mr. Tomlinson.
Mr. Hayes Fisher.	Mr. Whitley.
Mr. R. U. Penrose FitzGerald.	

Clause 17, further considered.

Question, That the words "The power of the Board of Trade to remove a trustee" stand part of the Clause—put, and *agreed to.*

Clause further amended, and *agreed to.*

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Clause 18, amended, and *agreed to.*

Clause 19.—Amendment proposed, in page 8, line 21, to leave out Sub-section (1)—(**Mr. *Tapling***).—Question put, That the words "(1) Section one hundred and twenty-one of the Principal Act" stand part of the Clause.—The Committee divided:

Ayes, 16.	Noes, 22.
Mr. Addison.	Mr. Baring.
Mr. Barran.	Mr. T. H. Bolton.
Sir Michael Hicks Beach.	Mr. Boord.
Mr. Joseph Chamberlain.	Mr. A. H. Brown.
Mr. Childers.	Mr. Gainsford Bruce.
Sir James Corry.	Mr. J. A. Campbell.
Mr. Stormonth Darling.	Mr. Causton.
Mr. Hayes Fisher.	Mr. Colman.
Mr. Grotrian.	Mr. Craig.
Sir E. Harland.	Mr. Dixon-Hartland.
Mr. W. L. Jackson.	Mr. Gedge.
Mr. Peter M'Donald.	Sir Julian Goldsmid.
Mr. Mundella.	Sir William Houldsworth.
Mr. Rathbone.	Mr. Kelly.
Sir Albert Rollit.	Mr. William Lowther.
Mr. Mark Stewart.	Sir Joseph M'Kenna.
	Sir Stafford Northcote.
	Mr. William P. Sinclair.
	Mr. Samuel Smith.
	Mr. Tapling.
	Mr. Tomlinson.
	Mr. Whitley.

Another Amendment proposed, in page 8, line 26, to leave out Sub-section (2)—(Mr. *Kelly*).—Question proposed, That the words "(2) The resolution required under" stand part of the Clause.

[Adjourned till Monday next, at Twelve o'clock.

Monday, 23*rd June* 1890.

MEMBERS PRESENT:

Mr. ARTHUR O'CONNOR in the Chair.

Mr. Attorney General.	Mr. Grotrian.
Mr. Baring.	Colonel Hill.
Mr. Barnes.	Sir William Houldsworth.
Sir Michael Hicks Beach.	Mr. Kelly.
Mr. J. C. Bolton.	Mr. Lawson.
Mr. T. H. Bolton.	Mr. William Lowther.
Mr. Bonsor.	Sir John Lubbock.
Mr. Boord.	Mr. Peter M'Donald.
Mr. A. H. Brown.	Sir Joseph M'Kenna.
Mr. Gainsford Bruce.	Mr. M'Lagan.
Mr. J. A. Campbell.	Mr. Lloyd Morgan.
Mr. Causton.	Mr. Rathbone.
Mr. Chance.	Sir Albert Rollit.
Mr. Colman.	Mr. Round.
Mr. Craig.	Mr. William P. Sinclair.
Mr. Dixon-Hartland.	Mr. Samuel Smith.
Colonel Eyre.	Mr. Mark Stewart.
Mr. R. U. Penrose FitzGerald.	Mr. Tapling.
Mr. Gedge.	Mr. Tomlinson.
Sir Julian Goldsmid.	

Clause 19, further considered.

Question, That the words "The resolution required under" stand part of the Clause,—put, and *negatived.*

Clause *disagreed to.*

Clauses 20—21, amended, and *agreed to.*

Clause 22.—Amendment proposed, in page 9, line 19, to leave out the words "There shall be repealed

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repealed so much of Section 85 "—(Mr. *Kelly*).—Question, That the words proposed to be left out stand part of the Clause,—put, and *agreed to.*

Clause *agreed to.*

Clause 23, *agreed to.*

Clauses 24-25, amended, and *agreed to.*

New Clause (Disqualification of bankrupt),—(Mr. *Dixon-Hartland*)—*added.*

New Clause, "Savings of remedies of creditors whose debts are not released by bankruptcy," —(Mr. *Tomlinson*)—brought up, and read the first time.—Question, That the Clause be read a second time,—put, and *negatived.*

New Clause (Sale of assets by sheriff),—(Mr. *Boord*)—read the first and second time, amended, and *added.*

New Clause (Rent payable under disclaimer)—(Mr. *Dixon-Hartland*)—read the first time.—Question put, That the Clause be read a second time.—The Committee divided:

Ayes, 9.	Noes, 22.
Mr. Baring.	Mr. Attorney General.
Mr. T. H. Bolton.	Mr. Barnes.
Mr. Gainsford Bruce.	Sir Michael Hicks Beach.
Mr. Dixon-Hartland.	Mr. A. H. Brown.
Colonel Hill.	Mr. J. A. Campbell.
Sir John Lubbock.	Mr. Chance.
Mr. Round.	Mr. Colman.
Mr. Tapling.	Mr. Craig.
Mr. Tomlinson.	Sir Julian Goldsmid.
	Mr. Grotrian.
	Sir William Houldsworth.
	Mr. Kelly.
	Mr. Lawson.
	Mr. William Lowther.
	Mr. Peter M'Donald.
	Sir Joseph M'Kenna.
	Mr. M'Lagan.
	Mr. Rathbone.
	Sir Albert Rollit.
	Mr. William P. Sinclair.
	Mr. Samuel Smith.
	Mr. Mark Stewart.

New Clause (Sale of property by official receiver pending appointment of trustee)—(Mr. *T. Bolton*)—read the first time.—Question put, That the Clause be read a second time.—The Committee divided:

Ayes, 6.	Noes, 23.
Mr. T. H. Bolton.	Mr. Attorney General.
Mr. Gainsford Bruce.	Mr. Baring.
Mr. Craig.	Mr. Barnes.
Mr. Kelly.	Sir Michael Hicks Beach.
Sir Joseph M'Kenna.	Mr. Boord.
Mr. Tapling.	Mr. A. H. Brown.
	Mr. J. A. Campbell.
	Mr. Chance.
	Mr. Colman.
	Sir Julian Goldsmid.
	Mr. Grotrian.
	Colonel Hill.
	Sir William Houldsworth.
	Mr. Lawson.
	Mr. William Lowther.
	Sir John Lubbock.
	Mr. M'Lagan.
	Sir Albert Rollit.
	Mr. Round.
	Mr. William P. Sinclair.
	Mr. Samuel Smith.
	Mr. Mark Stewart.
	Mr. Tomlinson.

New Clause (Amendment of proxy system)—(Sir *John Lubbock*)—read the first time.—Question proposed, That the Clause be read a second time.

[Adjourned till Thursday next, at Twelve o'clock.

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Thursday, 26th June 1890.

MEMBERS PRESENT:

Mr. ARTHUR O'CONNOR in the Chair.

Mr. Attorney General.
Mr. Baring.
Mr. Barnes.
Mr. Barran.
Sir Michael Hicks Beach.
Sir Edward Birkbeck.
Mr. J. C. Bolton.
Mr. T. H. Bolton.
Mr. Boord.
Mr. Gainsford Bruce.
Mr. Brunner.
Mr. J. A Campbell.
Mr. Causton.
Mr. Joseph Chamberlain.
Mr. Childers.
Mr. Colman.
Sir James Corry.
Mr. Craig.
Mr. Stormonth Darling.
Mr. Dixon-Hartland.
Sir George Elliot.
Colonel Eyre.
Mr. Hayes Fisher.
Mr. R. U. Penrose Fitzgerald.
Mr. Gilliat.
Sir Julian Goldsmid.
Mr. Grotrian.
Sir E. Harland.
Mr. Kelly.
Mr. Lawson.
Mr. William Lowther.
Sir John Lubbock.
Mr. Peter M'Donald.
Sir Joseph M'Kenna.
Mr. Lloyd Morgan.
Mr. Mundella.
Sir Stafford Northcote.
Mr. Rathbone.
Sir Albert Rollit.
Mr. William P. Sinclair.
Mr. Samuel Smith.
Mr. Mark Stewart.
Mr. Tapling.
Mr. Tomlinson.
Mr. Whitley.
Mr. Winterbotham.

New Clause (Amendment of proxy system).—Question again proposed, That the Clause be read a second time.—Motion, by leave, *withdrawn.*

New Clause (Proxies):—

(1.) Every instrument of proxy shall be in the prescribed form, and shall be issued by the official receiver of the debtor's estate, or by some other official receiver, or, after the appointment of a trustee, by the trustee, and every insertion therein shall be in the handwriting of the person giving the proxy, or of any manager or clerk, or other person in his regular employment, or of any commissioner to administer oaths in the Supreme Court of Judicature in England.

(2.) Forms of proxy shall be sent to the creditors, together with a notice summoning a meeting of creditors, and neither the name nor the description of the official receiver, nor of any other person, shall be printed or inserted in the body of any instrument of proxy before it is so sent.

(3.) A special proxy may be so framed as to enable the holder thereof, in the event of the rejection by a meeting of creditors of any specific resolution mentioned therein, to vote for or against any other specific resolution—(Sir *Michael Hicks Beach*)—read the first and second time.

Amendment proposed, in line 4, after the word "manager," to insert the word "agent"—(Mr. *Sinclair*).—Question, That the word "agent" be there inserted,—put, and *negatived.*

Amendments made.

Another Amendment proposed,, in Sub-section (3), line 1, to leave out from the word "thereof" to the end of the sub-section, in order to add the words, "to vote on all questions arising at any specified meeting or adjournment thereof"—(Sir *John Lubbock*).—Question put, That the words proposed to be left out stand part of the Clause.—The Committee divided:

Ayes, 19.	Noes, 19.
Mr. Attorney General.	Mr. Baring.
Mr. Barran.	Sir Edward Birkbeck.
Sir Michael Hicks Beach.	Mr. J. C. Bolton.
Mr. Joseph Chamberlain.	Mr. T. H. Bolton.
Mr. Childers.	Mr. Boord.
Sir James Corry.	Mr. Brunner.
Mr. Stormonth Darling.	Mr. J. A. Campbell.
Sir George Elliot.	Mr. Causton.
Colonel Eyre.	Mr. Colman.
Mr. Hayes Fisher.	Mr. Craig.
Mr. Grotrian.	Sir Julian Goldsmid.

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Ayes—*continued.*	Noes—*continued.*
Sir E. Harland.	Mr. Kelly.
Mr. William Lowther.	Mr. Lawson.
Mr. Peter M'Donald.	Sir John Lubbock.
Sir Stafford Northcote.	Sir Joseph M'Kenna.
Sir Albert Rollit.	Mr. Lloyd Morgan.
Mr. Mark Stewart.	Mr. William P. Sinclair.
Mr. Tomlinson.	Mr. Tapling.
Mr. Whitley.	Mr. Winterbotham.

Whereupon the Chairman declared himself with the *Ayes*.

Clause, as amended, *added*.

New Clause (Explanation of "creditor" in 46 & 47 Vict. c. 52, s. 4)—(Sir *Albert Rollit*)—*added*.

New Clause (Committee of Inspection)—(Sir *Albert Rollit*),—*added*.

New Clause (Arrest of absconding debtor)—(Sir *Albert Rollit*),—*added*.

New Clause (Interest on debt)—(Sir *Albert Rollit*),—*added*.

New Clause (Affidavits in England and Wales may be sworn before justices)—(Sir *Edward Birkbeck*),—*added*.

New Clause (Returns to the Board of Trade of receipts of expenditure under the Deed of Arrangement Act, 1883)—(Mr. *Grotrian*),—*added*.

New Clause (Trustee to furnish list of creditors)—(Sir *John Lubbock*),—*added*.

New Clause (Statement of accounts)—(Sir *John Lubbock*),—*added*.

New Clause (Summons of meeting)—(Sir *John Lubbock*),—read the first and second time.

[Adjourned till Monday next, at Twelve o'clock.

Monday, 30th June 1890.

MEMBERS PRESENT:

Mr. ARTHUR O'CONNOR in the Chair.

Mr. Addison.	Mr. Gedge.
Mr. Baring.	Sir Julian Goldsmid.
Sir Michael Hicks Beach.	Sir E. Harland.
Mr. T. H. Bolton.	Colonel Hill.
Mr. A. H. Brown.	Mr. Kelly.
Mr. Gainsford Bruce.	Sir John Lubbock.
Mr. Burt.	Mr. M'Lagan.
Mr. J. A. Campbell.	Sir Stafford Northcote.
Mr. Causton.	Mr. Rathbone.
Mr. Joseph Chamberlain.	Sir Albert Rollit.
Mr. Childers.	Mr. Round.
Sir James Corry.	Mr. William P. Sinclair.
Mr. Craig.	Mr. Samuel Smith.
Sir Charles Dalrymple.	Mr. Mark Stewart.
Baron Henry De Worms.	Mr. Tapling.
Colonel Eyre	Mr. Tomlinson.
Mr. Hayes Fisher.	Mr. Whitley.

New Clause (Summons of meeting),—*added*.

New Clause (Right of landlord to payment of rent in arrear)—(Mr. *Kelly*)—read the first time.—Question, That the Clause be read a second time,—put, and *negatived*.

New Clause (Amendment of Section 18 of Principal Act)—(Mr. *Gainsford Bruce*)—*added*.

New Clause (Liability of trustee)—(Mr. *Gainsford Bruce*)—read the first time.—Question, That the Clause be read a second time,—put, and *negatived*.

New Clause (Official receiver not to be trustee under scheme)—(Mr. *Gainsford Bruce*)—read the first time.—Question, That the Clause be read a second time,—put, and *negatived*.

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New Clause (Effect of order of discharge):—

"(1.) An order of discharge shall not release the bankrupt from any liability under a judgment against him in an action for damages for breach of promise of marriage, seduction, or slander, or under an affiliation order, or under a judgment against him as a co-respondent in a matrimonial cause, except to such an extent and under such conditions as the court expressly orders in respect to such liability.

(2.) That this Clause shall be read as if placed after Sub-section 1 of Section 30 of the principal Act"—(Mr. *Samuel Smith*)—read the first time.—Question put, That the Clause be read a second time.—The Committee divided:

Ayes, 19.	Noes, 9.
Mr. Addison.	Mr. Baring.
Sir Michael Hicks Beach.	Mr. Causton.
Mr. A. H. Brown.	Mr. Joseph Chamberlain.
Mr. Burt.	Sir James Corry.
Mr. J. A. Campbell.	Mr. Craig.
Sir Charles Dalrymple.	Mr. Gedge.
Baron Henry De Worms.	Mr. Kelly.
Colonel Eyre.	Mr. Tapling.
Mr. Hayes Fisher.	Mr. Tomlinson.
Sir Julian Goldsmid.	
Sir E. Harland.	
Colonel Hill.	
Sir John Lubbock.	
Sir Stafford Northcote.	
Sir Albert Rollit.	
Mr. Round.	
Mr. William P. Sinclair.	
Mr. Samuel Smith.	
Mr. Whitley.	

Amendments made.

Another Amendment proposed, to leave out the words, "or under a judgment against him as a co-respondent in a matrimonial cause"—(Mr. *Kelly*).—Question put, That the words proposed to be left out stand part of the Clause.—The Committee divided:

Ayes, 15.	Noes, 15.
Mr. Addison.	Sir Michael Hicks Beach.
Mr. A. H. Brown.	Mr. T. H. Bolton.
Mr. Gainsford Bruce.	Mr. Burt.
Mr. J. A. Campbell.	Mr. Causton.
Mr. Joseph Chamberlain.	Sir James Corry.
Mr. Childers.	Mr. Craig.
Sir Charles Dalrymple.	Baron Henry De Worms.
Mr. Hayes Fisher.	Colonel Eyre.
Mr. Gedge.	Sir E. Harland.
Sir Julian Goldsmid.	Colonel Hill.
Sir Stafford Northcote.	Mr. Kelly.
Mr. Round.	Sir John Lubbock.
Mr. William P. Sinclair.	Sir Albert Rollit.
Mr. Samuel Smith.	Mr. Tapling.
Mr. Whitley.	Mr. Tomlinson.

Whereupon the Chairman declared himself with the *Ayes*.

Clause further amended, and *added*.

Schedule amended, and *agreed to*.

Preamble *agreed to*.

Ordered, To report the Bill, as amended, to the House.

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REPORT

FROM THE

STANDING COMMITTEE

ON

TRADE (INCLUDING AGRICULTURE AND FISHING), SHIPPING, AND MANUFACTURES,

ON THE

BANKRUPTCY BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

Ordered, by The House of Commons, *to be Printed*,
30 *June* 1890.

[*Price* 3 *d.*]

266. *Under* 3 *oz.*

H.—9. 7. 90.

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REPORT

FROM THE

SELECT COMMITTEE

ON

BRITISH AND FOREIGN SPIRITS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
22 *July* 1890.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

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British and Foreign Spirits.

Ordered,—[*Monday, 7th July* 1890]:—That a Select Committee be appointed to consider whether, on grounds of public health, it is desirable that certain classes of Spirits, British and Foreign, should be kept in bond for a definite period before they are allowed to pass into consumption, and to inquire into the system of blending British and Foreign Spirits in or out of bond, and into the propriety of applying the Sale of Foods and Drugs Act and the Merchandise Marks Act to the case of British and Foreign Spirits, and mixtures of British and Foreign Spirits, and also into the sale of Ether as an intoxicant.

Committee nominated of—

Sir Lyon Playfair.	Mr. Flynn.
Mr. Somervell.	Colonel Hill.
Sir Henry Roscoe.	Mr. Hozier.
Mr. T. M. Healy.	Mr. M'Ewan.
Mr. Boord.	Mr. Jackson.
Sir Edward Harland.	

That the Committee have power to send for Persons, Papers, and Records.

That Five be the Quorum of the Committee.

Ordered,—[*Thursday, 10th July* 1890]:—That Mr. Hozier be discharged from further attendance, and that Mr. Vernon be added to the Committee.

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REPORT.

THE SELECT COMMITTEE appointed to consider whether, on grounds of public health, it is desirable that certain classes of SPIRITS, BRITISH and FOREIGN, should be kept in bond for a definite period before they are allowed to pass into consumption, and to inquire into the system of blending BRITISH and FOREIGN SPIRITS in or out of bond, and into the propriety of applying the SALE of FOODS and DRUGS ACT and the MERCHANDISE MARKS ACT to the case of BRITISH and FOREIGN SPIRITS and MIXTURES of BRITISH and FOREIGN SPIRITS, and also into the Sale of ETHER as an intoxicant;——HAVE considered the matters to them referred, and have agreed to the following REPORT:—

YOUR Committee are of opinion that at this late period of the Session it will not be in their power to conclude their investigations; they have therefore agreed to report the Evidence already taken to the House, and to recommend that a Committee on the same subject be appointed in the next Session of Parliament.

22 *July* 1890.

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PROCEEDINGS OF THE COMMITTEE.

Wednesday, 9th July 1890.

MEMBERS PRESENT:

Sir Edward Harland.	Mr. M'Ewan.
Sir Lyon Playfair.	Mr. Flynn.
Mr. Hozier.	Mr. Somervell.
Mr. T. M. Healy.	Mr. Boord.
Colonel Hill.	Mr. Jackson.

Sir LYON PLAYFAIR was called to the Chair.

The Committee deliberated.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 11th July 1890.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Mr. Somervell.	Sir Edward Harland.
Mr. M'Ewan.	Mr. Boord.
Sir Henry Roscoe.	Colonel Hill.
Mr. Flynn.	Mr. Jackson.
Mr. T. M. Healy.	

Sir *Algernon West*, K.C.B., was examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 15th July 1890.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Mr. Boord.	Mr. Vernon.
Mr. T. M. Healy.	Mr. Somervell.
Colonel Hill.	Mr. Jackson.
Sir Edward Harland.	Sir Henry Roscoe.
Mr. M'Ewan.	

Mr. *John Molineux*, C.B., Mr. *H. Murray*, and Mr. *D. P. Williams* were examined.

[Adjourned till Friday next, at Twelve o'clock.

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Friday, 18*th July* 1890.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Mr. T. M. Healy.	Mr. Somervell.
Mr. M'Ewan.	Mr. Boord.
Colonel Hill.	Mr. Flynn.

Dr. *Bell* was examined.

[Adjourned till Tuesday next, at One o'clock.

Tuesday, 22*nd July* 1890.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Colonel Hill.	Mr. M'Ewan.
Mr. Vernon.	Mr. Flynn.
Mr. Somervell.	Mr. Boord.
Sir Edward Harland.	Mr. T. M. Healy.

Mr. *W. Cobden Samuel* was examined.

Room cleared. The Committee deliberated.

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows:—

"Your Committee are of opinion that at this late period of the Session it will not be in their power to conclude their investigations; they have therefore agreed to report the Evidence already taken to the House, and to recommend that a Committee on the same subject be appointed in the next Session of Parliament."

DRAFT REPORT, proposed by the *Chairman*, read a second time, and *agreed to*.

Ordered, To Report, together with the Minutes of Evidence, and an Appendix.

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MINUTES OF EVIDENCE.

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LIST OF WITNESSES.

Friday, 11*th July* 1890.

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MINUTES OF EVIDENCE.

Friday, 11*th July* 1890.

MEMBERS PRESENT:

Mr. Boord.	Mr. Jackson.
Mr. Flynn.	Mr. M'Ewan.
Sir Edward Harland.	Sir Lyon Playfair.
Mr. T. M. Healy.	Sir Henry Roscoe.
Colonel Hill.	Mr. Somervell.

SIR LYON PLAYFAIR, IN THE CHAIR.

Sir ALGERNON WEST, K.C.B., called in; and Examined.

Chairman.

1. WHAT position do you hold in the Inland Revenue?—I am Chairman of the Board.

2. You have had a considerable experience in that office, have you not?—Yes, I was appointed there in 1873 originally, and I became chairman in 1881.

3. The Committee would like to know how you estimate the spirit for taxation, and what the term "proof" means?—The Act of 48 Geo. III., c. 28, defines proof spirit as that which weighs twelve-thirteenths of an equal bulk or measure of distilled water at a temperature of 51° Fahr. That definition has never been altered.

4. Practically proof spirit is nearly equal proportions of alcohol and water, is it not?—Yes, very nearly.

5. What is meant by over-proof and under-proof?—There is no standard; but taking proof spirit at 100, a degree more, 101, would be one degree over-proof.

6. Supposing you had 100 gallons of spirit at 30 per cent. under-proof, that would mean, would it not, that it was equal to 70 gallons at proof?—At proof.

7. And if it was 30 per cent. over-proof it would mean that it was equal to 130 gallons at proof?—Yes.

8. I presume the evidence you give will relate to British spirits only and not to foreign spirits?—Only to British spirits. The spirit duties, as you are aware, in this country, are administered by two boards and two departments, the Customs and Inland Revenue; and therefore the figures I propose to give to the Committee would relate only to British spirits.

9. First, will you tell us the nature of the spirits which are produced according to the

Chairman—continued.

names of the stills which are in common use in the Excise?—For that purpose I should like to divide spirits into three divisions: The first are those that have passed through common pot stills. I do not know whether the Committee would wish me to explain what is meant by pot stills. I have got here, if the Committee would like it, a very clever drawing which will show the working of the pot still as compared with the patent still.

10. Some of the Committee, I think, would like to see that?—I will hand it in (*handing in the same*).

11. Is it a fact that the whiskies are chiefly made in pot stills?—Chiefly; but I will give the figures later on if you will allow me. Perhaps I may first give the two other divisions into which spirits may be divided. The second is that which has passed through patent stills.

12. Including what is well known as "coffey" stills?—Including coffey stills. Then the third is that which has passed through rectifiers' stills.

13. That is for the purpose of making such things as gins and liqueurs?—Yes.

14. Have you any figures to give us as to the proportions of spirits in these different kinds of stills?—Yes.

15. May I take it that these figures which I have extracted from your report are correct; that 16,000,000 gallons are made in pot stills?—That is correct.

16. Do you recollect what is the strength generally of the whisky as bonded from pot stills?—I cannot tell you what the strength is exactly, but I have got the relative strengths for the different countries.

17. Is it generally from 10 to 15 per cent.

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Chairman—continued.

over-proof when it is made and bonded?—It may be so.

18. The rest would be made practically in patent stills?—Yes.

19. How much does that amount to; is it about 23,000,000 gallons?—The last figure is about 25,000,000 gallons, of which about 6,000,000 gallons is sent to the rectifiers in the course of the year to be made into compounds which are chiefly gin and British brandy, and so on. I was rather anxious to deal with whisky, if I might be allowed to do so, first, for I think it would make it clearer if I dealt with whisky separately from plain spirits.

20. With regard to the spirit distilled in patent stills, how high does it go over-proof?—About 60 to 70 over-proof on the average.

Mr. *M'Ewan.*

21. Is it bonded at that strength?—It is occasionally bonded at that strength.

Chairman.

22. You have told us the make of spirits and the quantity; have you any other points you wish to refer to in connection with that matter?—The quantity of spirits at proof made in the United Kingdom in the year ended 31st March last amounted to 40,900,000 gallons. Perhaps the Committee would like to know how I account for that 40,900,000 gallons.

23. That is a considerable increase over the previous year, is it not?—Yes. Of that quantity in round figures 28,000,000 gallons has gone into consumption; 3,500,000 have been exported; the allowance for natural waste is 2,500,000 gallons.

24. That is to say, evaporation in bond?—Evaporation in bond. Then the quantity used for methylation is 1,500,000 gallons; the quantity used for medicinal purposes and tinctures is 1,000,000 gallons. That makes 36,500,000 gallons. Therefore, there would be a difference which I have not accounted for yet of 4,400,000 gallons.

25. Have you included that sent to rectifiers?—I have included that in the consumption. I have now got to account for 4,400,000 gallons; and that is what we believe has gone into bond. That is to say, spirits were made to the extent of 4,400,000 gallons in excess of the demand of the year. I have therefore now accounted for the whole 40,900,000 gallons, which I started with.

Mr. *Somervell.*

26. You do not mean that that was the increase in the quantity made actually in the year, but you mean that the stock in bond has increased by 4,400,000 gallons?—Quite so.

27. What goes into bond may be spirit of a different year, and older spirit?—Certainly. Then if you will allow me I will go on to the consumption of spirits. The actual quantity of spirits consumed for beverage, as we call it, in the year was 27,828,284 gallons. Of course the Committee will understand that when we call that the quantity "consumed for beverage," it does not follow that it is all drunk in the year. If a person buys a hogshead of whisky, and puts

Mr. *Somervell*—continued.

it in his cellar, we should reckon that as "consumed for beverage," though he may not drink it in the year.

Chairman.

28. What does that give per head of population in each of the divisions of the United Kingdom?—In England there was consumed 16,853,723 gallons, in Scotland 6,263,878 gallons, and in Ireland 4,710,683 gallons. In taking the consumption per head of population, of course the population has only been estimated, because there has not been a census for 10 years; but estimating the population at the middle of last year we reckon the consumption in England is ·580, or rather over half a gallon per head of population; in Scotland 1·536, or a little over one and a-half gallons per head; and in Ireland ·998, which is practically a gallon per head of the population.

29. Is it not the fact that practically, until this last year, for a number of successive years there has been a marked reduction in the consumption per head of the population. Perhaps you can answer that by putting in the table from page 14 of your last Report brought up to date, giving us the figures from 1852 to the present time?—The consumption per head of population has decreased according to the last accounts which I have here.

30. Has it decreased this last year?—

STATEMENT shewing the Total Quantities of British, Foreign, and Colonial Spirits retained for Home Consumption, and the Quantity consumed per head of Population.

Year ended 31st December.	Population (corrected).	Consumption of				Gallons per head of Spirits of all kinds.
		British Spirits.		Foreign and Colonial Spirits.		
		Gallons.	Gallons per head.	Gallons.	Gallons per head.	
1852	27,448,257	25,200,879	·918	4,866,259	·177	1·095
1862	29,243,610	18,836,187	·644	5,193,641	·177	·821
1872	31,874,183	26,872,183	·843	9,068,329	·285	1·128
1882	35,297,114	28,554,264	·809	8,338,578	·236	1·045
1885	36,331,119	26,609,488	·732	8,012,656	·221	·953
1886	36,709,409	25,954,251	·707	8,634,331	·235	·942
1887	37,091,564	25,969,776	·700	8,163,028	·220	·920
1888	37,453,574	25,963,593	·693	9,105,528	·243	·936
1889	37,808,892	27,183,351	·719	9,659,516	·255	·974

I may say that the Report of 1885, which we call our 28th Report, contains all the particulars connected with the matters from the point of view of the Inland Revenue that we knew up to that date.

Mr. *Somervell.*

31. You have given us the figures 16,000,000 as the number of gallons distilled in pot stills, and 25,000,000 gallons in patent stills last year; can you say what the corresponding figures were in, say, 1880 and 1870?—I can get the information for the Committee, no doubt. Of course, the Committee will understand that, in giving these figures, I do not expect them to be absolutely

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Mr. *Somervell*—continued.

lutely accurate; but they are as near as we can calculate.

32. Of the 40,900,000 gallons which you have referred to, how much is delivered from the distilleries direct on payment of duty without going into bond at all?—It is something very small; it is about 2,000,000 gallons, I think.

33. And the rest goes into the warehouses?—Yes, into the warehouses.

34. Will you tell us the number of distilleries in each part of the United Kingdom?—In England there are 10 distilleries; and in very nearly every case, I believe, patent stills only are used. In Scotland there are 126 distilleries; and of those 113 use malt only, and pot stills, and the other 13 use patent stills, using malt and unmalted grain, and in a very few instances a small proportion of sugar and molasses.

35. Is there not now a considerable use of the patent still in Scotland?—113 out of the 126 distilleries in Scotland use pot stills, and the remainder use patent stills. Then in Ireland there are 30 distilleries in a large proportion of which a mixture of malt and unmalted grain is used.

36. That is to say, as I understand, most of them are patent stills?—In the 30 distilleries in Ireland 22 use pot-stills only.

Chairman.

37. Of course, the figures you have given do not include illicit distillation. Will you tell us the returns from the three parts of the kingdom of prosecutions for illicit distillation in order to show how much spirit escapes taxation?—If you will kindly turn to page 10 of the 32nd Report of the Commissioners of Inland Revenue which is before you, you will find a heading "Illicit Distillation," and taking the last year for which we have the figures, in England there were 11 detections, in Scotland 31, and in Ireland 1,739 detections.

38. That is a little reduction from 1888, where I observe the figure was 1,808?—Yes, it is a little reduction.

39. What were the total figures for the United Kingdom?—There were 1,851 detections in 1888, and in 1889 there were 1,781 detections. Of course, for the most part these cases are very very small, but they are detections. They are mostly wretched little cases, but there was one exception in England last year, where we had a detection in Birmingham of a very serious kind indeed. It was a very curious detection. The operations were conducted in a great cellar, as in a great distillery, and it was detected by our officers after a great deal of watching, and the men are all in prison now.

Mr. *Healy.*

40. How many men were engaged in it?—We did not catch the operatives, which was perhaps lucky, because we caught all the principals. They were put in prison not only for the offence against the Revenue, but they had tapped the main of gas in the street to light the underground cellar where they worked (for they only worked at night), and they were sent to prison for that offence, and they are still in prison.

Chairman.

41. Will you tell us what is your definition of whisky as regards excise purposes?—There is, as you know well, no legal definition of whisky; but, broadly speaking, it is made from malt or malt and grain, and is distilled in pot stills. That is what we usually accept as the definition of whisky; but the term whisky is also applied to spirits distilled in "coffey" or patent stills. Spirits produced in patent stills, as I have already said, are distilled at very high strength, 60 to 70 over-proof, and of great purity.

42. Can you tell us what is the character of the spirit distilled in patent stills, or should we get that from your chemist?—You will get it in greater detail from the chemist; but broadly speaking, the spirits distilled in patent stills are, as I have said, of great strength, and with very little impurity.

43. With very little fusel oil?—With very little impurity of any kind.

44. In fact, almost alcohol and water?—Yes.

Mr. *Somervell.*

45. It is almost a silent spirit?—It is a silent spirit. Taking whisky alone, as I said, the total quantity in bonded warehouses is more than 40,000,000 gallons, and these figures are rather curious; the annual production is 16,000,000 gallons, while the annual consumption of British spirit is 27,828,284.

46. You mean for drinking purposes?—For drinking purposes.

Mr. *M'Ewan.*

47. Is the 16,000,000 gallons distilled in pot stills?—I cannot say entirely, but mainly in pot stills.

Mr. *Healy.*

48. In what sense are you using the word "whisky"?—I am using "whisky" as I have just attempted to define it. The annual consumption is, as I say, 27,828,284, and the annual production of whisky is 16,000,000 gallons. Therefore, that shows that 12,000,000 gallons in round figures is something else than what we call "whisky," that is to say, there is something added to it, and what that something is Mr. Molineux, our chief inspector, who will follow me in giving evidence here, will go fully into; he will be able to show what that something is that is added as British spirit.

Chairman.

49. You mean, I presume, added in the blending?—Added in the blending.

Mr. *Somervell.*

50. You speak of "whisky," but is not gin included in those figures. When you told us that the annual production was 41,000,000 gallons, 16,000,000 being distilled in pot stills and 25,000,000 in patent stills, I thought you included all the British spirits?—Quite so.

51. Then when you went on to mention the consumption, and you named 28,000,000 gallons, I thought that included all British spirits consumed, including gin?—The annual consumption of the year I said was 28,000,000, and that included gin.

52. When you came to the consumption of whisky just now, you took the same figure as

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Mr. *Somerville*—continued.

the consumption; that is not quite accurate, is it?—What I meant by consumption of spirit, which included 16,000,000 gallons of whisky.

Chairman.

53. You have to deduct the gin from that amount before you can find out what spirit is added in blending?—Quite so. The annual production of whisky, no doubt, is 16,000,000 gallons; that is correct, but then we ought to have taken the annual consumption of whisky.

54. Perhaps Mr. Molineux will give those figures correctly later on?—Yes.

55. What is the purpose of keeping the whisky in bonded warehouses?—I conclude that the advantage of keeping whisky in bond is, that it is better for maturation, that improves by being kept. I think I can prove to you by figures that the taste for matured whisky is largely increasing. If I gave you the figure of the increase of whisky kept in bond, I think that would be proof enough that the taste for matured whisky is increasing.

56. That is to say, the public prefer matured whisky to immature, and the consumption of matured whisky is increasing?—Exactly.

57. Will you tell us what the number of gallons in bond is?—I could tell you the gallons in the warehouse. I presume it would be needless to go back as far as 1854, because you will find those figures in the report of 1885, which I have alluded to. But I will take the figures for 1886, which is the year subsequent to that big report. The gallons of whisky in bond in the year ending 31st March 1886 were, in round figures, 68 millions; in 1887, you may take it as 72 millions; in 1888, 76½ millions; in 1889, 81 millions; and in 1890, over 85 millions. There is another inducement to making whisky matured and keeping it in bond, which is the considerable increase in its value.

58. Is that about sixpence per gallon per annum?—I speak, of course, with some diffidence in the presence of so many gentlemen connected with the trade here; but I believe you might take it that there is an increase in value of from 4 *d.* up to 1 *s.* per annum.

Mr. *Flynn.*

59. That is in the sale value?—The sale value.

Mr. *M'Ewan.*

60. Does that do more than cover interest and evaporation?—The evaporation would be allowed for.

61. So that they actually make that profit?—It would vastly exceed the warehouse charges.

Chairman.

62. Of course the duty is not paid whilst it is in bond?—No.

63. That is a considerable proportion even upon good whisky, that might be put in at 2 *s.* 6 *d.* per gallon?—It would be a large addition. If the Committee will turn to any price lists they will see how rapidly the prices increase according to the number of years that the whisky is kept.

Sir *Edward Harland.*

64. In other words, it is a good investment for the distiller to bond it?—Yes.

Mr. *Flynn.*

65. Does the increase of from 4 *d.* to 1 *s.* include the warehouse charges and other things?—That, of course, would have to be paid for by the owners. I cannot tell you how the charges are made in the case of private warehouses for rent. I can only tell you the Government charges.

Chairman.

66. Would you tell us about the system of warehousing; there are Government warehouses and private warehouses, I understand; would you explain the distinction?—There are very few Government warehouses now left. We have only two Crown warehouses now. They are relics of the past, and we should be very glad to get rid of them altogether if we could. The charges in the Crown warehouses are 1 *d.* a-week for every 40 gallons of whisky, and that is supposed to cover the rent; but there is a considerable duty on foreign spirits. There is 5 *s.* for every 100 *l.* of duty on foreign spirits and British compounds, and 3 *d.* for every dozen of foreign spirits bottled in bond; but there is no charge on whisky.

67. What is the character of the warehouses in which the spirits are bonded?—They are generally the property of large dealers, large railway companies, and distillery companies. I am separating, and I want the Committee to separate, general warehouses and warehouses that are attached to a distillery.

68. Those attached to the distilleries are for the distiller's own purpose?—Yes; and a general warehouse is a warehouse at which everybody may bond their spirits.

69. Under the control of the Excise?—Absolutely under the lock and key of the Excise, as also is the distiller's warehouse.

70. Will you tell us the number of warehouses in the different parts of the United Kingdom?—The number of the general Excise warehouses in England is 224, there are 94 in Scotland, and 124 in Ireland, making a total of 442.

71. Besides those, there are the Customs warehouses?—Besides those, there are the Customs warehouses, of which I believe there are 538 in England, 140 in Scotland, and 50 in Ireland, making a total of 728. You will see the Customs have nearly doubled the number of warehouses that we have.

72. Is it not the fact that in either the Excise or the Customs warehouses, indiscriminately, foreign spirits and British spirits may be stored?—In general, not distillery warehouses.

73. How is that managed; what is done by the Board of Inland Revenue where there is a mixture?—If it is originally an Excise warehouse we should manage it, and if it is originally the Customs they would manage. It is a curious thing, but so it is, that two Boards have to administer one code of regulations.

74. Both British and foreign spirits?—Yes, I have left out one matter which is important to be

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Chairman—continued.

be put in; I have given the Excise general warehouses and the Customs general warehouses; and now the Committee would probably like to know the number of what the Chairman has spoken of as distillers' warehouses. Of those, there are in England 30, in Scotland 674, and in Ireland 133, which makes a total of 837.

75. From what you have stated in answer to some former questions I gather that the system of bonding spirits is very rapidly on the increase?—Yes.

76. I see from some figures in this report that in 1854 there were 4,090,000 gallons in warehouses, and in 1889 there were 81,088,000 gallons?—Yes, that is correct; and going to last year, 1890, the figure was 85,376,937.

77. What is the amount now in bond as compared with the annual consumption of spirits?—More than three times.

78. That is to say, there are three years' spirits in bond as compared with the annual consumption?—Yes, three years' stock: if no more spirits were put in bond, and the consumption went on as now, the amount in bond would last about three years, or rather more.

79. Of course in bond it is retained sometimes for longer and sometimes for shorter periods?—Yes.

Sir *Edward Harland.*

80. Six days being about the minimum?—Yes, the minimum. A great deal of it was from patent stills.

Chairman.

81. Is it not the fact that the spirits for making gin remain in bond only about one month?—They vary. For instance, I have samples here where the length of time is 13 days, 84 days, 12 months, two months, three months, and so on. I take it that it is the convenience of the market that is considered only.

82. And not a question of maturation?—I think not at all.

83. Could you tell us how much gin and British brandy are bonded, and for what period they continue in bond?—About 500,000 gallons of gin and British brandy are bonded in a year.

84. Can you tell us how much patent still whisky is in bond, and how long does it continue in bond?—Patent still spirit for very varying and short periods; sometimes quite short, I believe, to consult the interests of the market.

85. In a communication which you sent to me I see you mentioned the time as from one month to four years, according to the demands of trade?—Yes, I believe it is the demands of trade that govern it. I do not say that old gin is not considered rather finer than the other, but I do not believe it is really more wholesome.

86. Have you formed any notion of how much patent still whisky (of course I include coffey still whisky) is used for the purpose of blending with whisky before it goes into consumption?—That is what I was going to add to my evidence later; because we wish to divide the total consumption of whisky from that of spirits generally.

Chairman—continued.

87. Is it not about 9,800,000 gallons a year?—We think that with the 16,000,000 gallons of whisky consumed in the year, 9,800,000 gallons of patent spirits are consumed as whisky, either blended or not blended. I believe there is a process of putting patent still spirit into a sherry cask, and it is coloured and given out as whisky.

Mr. *Healy.*

88. Do you mean that the 9,000,000 gallons is included in the 16,000,000?—Yes, 6,628,284 gallons being patent still whisky, exclusive of 16,000,000 of whisky.

Mr. *Somervell.*

89. As I understand, you start with 28,000,000 gallons as the total consumption in the year?—Yes.

90. Then, as I understand, you give 26,000,000 of that as whisky?—Sixteen millions is the quantity made.

91. I thought you made the consumption 26,000,000?—No; that was including all spirits.

92. Twenty-eight millions was the total consumption of all spirits?—Yes.

93. What was sold as whisky you make 26,000,000 gallons, do you not; because you make 16,000,000 pot spirit, and roughly 10,000,000 of silent spirit?—I do not follow those figures.

94. You have a make of 16,000,000 gallons of pot still spirits to start with?—Yes.

95. Then you have 28,000,000 gallons as the total of all spirits consumed?—Yes.

96. Now you say there are 9,000,000 or 10,000,000 gallons of silent spirit sold as whisky?—Yes.

97. Therefore taking the consumption at 28,000,000, as you gave it, we have 26,000,000 of that 28,000,000 sold as whisky, the balance being gin and British brandy; is not that so?—When Mr. Molineux comes to be examined he will be able to explain those figures very much better than I can.

Chairman.

98. Would you tell us something about how the blending is done in the warehouses?—The blending of British and foreign spirits is allowed in warehouse for exportation only. There is no blending takes place in warehouse for home consumption.

Mr. *Healy.*

99. You mean there is no blending of British and foreign spirits?—None for home consumption in warehouse. Of course it is done, as we know, out of the warehouse.

Chairman.

100. Where is the blending done for home consumption?—No doubt it is done in private; but it is not done in the warehouse. There are only three operations, I think, allowed in the warehouse; they are, racking, blending, and bottling. Before describing those operations, perhaps I may give the amount of the spirit

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Chairman—continued.

operated upon in one of those ways. In England there are 1,989,104 gallons, or you may say 2,000,000 in round numbers; in Scotland there are nearly 6,000,000; and in Ireland 5,000,000, making up a total in the three countries of 13,044,974 gallons operated on in one of those ways.

Mr. *M'Ewan.*

101. Have you the particulars of the bottling?—Not of bottling separately. The racking, I may say, is merely the transfer of spirits from one vat or vessel to another. The blending, of course, is the mixing not only of British and foreign spirits for exportation, but the mixing of various blends. Dealers, of course, have various blends; they mix the product of one distiller with another, and make up a particular blend that comes out under the names of the various blends that one sees.

Mr. *Somervell.*

102. Blending, so far as it relates to spirits consumed in this country, simply means mixing British spirits of different kinds?—Yes.

Mr. *Boord.*

103. Can you give us the figures for blending only, without racking?—I am afraid I cannot.

Chairman.

104. I should perhaps put this question to the chemist instead of to you; but perhaps you may be able to answer it. What is the effect of the silent spirit used in blending upon the character of the whisky?—I should say that the patent-still spirit is the purer spirit, and therefore it would have the effect of purification.

105. Of diluting impurities?—Of diluting impurities. We have made a great many analyses, and if any member of the Committee would be good enough to take the trouble to come to our laboratory at Somerset House everything would be ready for showing the results of all the analyses. It would be very difficult to produce them here.

106. You have stated formerly that the usual bonded strength of the spirits in Scotland was 11 per cent. over-proof and in Ireland 25 per cent. over-proof; does that indicate the strength of the whisky as delivered for consumption?—No; that would depend upon the period for which those spirits were kept in bond.

107. Does it reach the consumer from the public houses at that strength?—No; the publican is in the habit of delivering spirits about 20 per cent. under-proof.

108. Is it diluted to that large extent?—Yes; by the time it is sold to the man in the public house over the counter. The Sale of Food and Drugs Act prevents spirits being sold of a less strength than 25 per cent. over-proof, and I believe that the average strength of the spirits sold by publicans, taken all round, is about 20 per cent. under-proof.

109. You say in bond it is in Scotland 11 per cent. over-proof, and in Ireland 25 per cent. over-proof, but in public houses it is sold at 20 per cent. under-proof?—Yes.

Chairman—continued.

110. There must be a large addition of water used, must there not, after it has left bond?—Yes; somewhere.

111. Does maturing diminish or increase the alcoholic strength of the spirit; I mean keeping the spirit in bond?—Keeping it in bond or maturing the spirit would diminish its strength.

112. Would it do so in a dry warehouse?—My answer to the first question you asked, which was whether maturing would lessen the alcoholic strength, would be, Yes. But if the cask is deposited in a very dry warehouse, there is a diminution, not in strength, but in bulk.

113. That is to say, the water evaporates more than the spirit?—Exactly.

114. Have you given us the amount of spirit exported?—Yes. I may say there is a diminution in the export of spirits in our last figure, as compared with the year before. In 1888–89 it was 3,470,244 gallons; whereas, in 1889–90 it was 3,371,396 gallons.

115. Have not the foreign markets and the places to which exported spirits go been changing lately?—It is as regards Australia I was told that the chief change in the markets has occurred. The production in Australia is increasing, and our exportation to Australia is decreasing. That, I suppose, is because there is more made there.

Sir *Edward Harland.*

116. You said that blending in bond was only allowed for exportation?—Yes; that is to say, the blending of foreign and British spirits.

117. Have you any note of a considerable portion of that returning again from the foreign country under another head?—No.

118. You know nothing of whiskies being exported and coming back again?—No; I believe there is no importation of whiskies.

119. You do not know of whiskies being exported to France, and coming back in the shape of brandy?—I think you must ask the Customs that question; but I do not think there is any coming in in that way.

Chairman.

120. Is not the use of methylated spirit increasing considerably?—Very considerably. I have the quantities from 1885–86, which is following on the report of 1885. In 1885–86 it was 2,477,198 gallons; in 1886–87 it was 2,673,375 gallons; in 1887–88 it was 2,767,492 gallons; and in 1888–89 it was 2,960,904 gallons; and in the last returns we have it is 3,188,306 gallons.

121. This is a question, perhaps, you may not have considered; but have you any reason to suppose that the ether which is used in Ireland is manufactured out of methylated spirits, and that therefore it may escape taxation altogether, whilst the ether made from alcohol in this country has the taxation of the alcohol upon it?—We had a belief that in a certain portion of the country there was a certain amount of ether used for drink.

122. Made from methylated spirit?—It is allowed by law to be made from methylated spirit; but I believe it turned out that in one

or

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Chairman—continued.

or two cases ether may have been consumed as a drink, but it certainly is not the practice.

Mr. *Flynn.*

123. You have given us the figure of 40,900,000 gallons as the total make; was that for 1888–89?—I have given you figures later than anything published; that is, up to the 31st March 1890.

124. Out of that total you said 28,000,000 gallons had gone into consumption?—Yes.

125. And after allowing for what is wasted and used for medicinal purposes, such as tinctures, and so on, you bring out about 4,400,000 gallons as having gone into bond?—Yes.

126. These figures we may take as correct?—Yes, practically, but Mr. Molineux in his evidence will give you the actual figures.

127. You also gave us the figure of the annual production of whisky as being about 16,000,000 gallons, and the annual consumption about 27,000,000 gallons, showing 11,000,000 gallons as something else than whisky; have the Excise any idea what that something else is?—It is British patent still spirit.

128. Plain spirit?—Plain spirit.

129. You also gave us the figure of the amount of gallons bonded; you say the Excise calculate the increase in value as from 4 *d.* to 1 *s.* a gallon on the whisky that is matured?—On the price. That I give as the information I have gathered from the trade; I have no means of checking it, but I believe it is correct.

130. That is the sale value, I take it?—Yes.

131. Would that include the warehouse charges and interest on the money sunk, and things of that kind?—No doubt the dealer would have to reckon that. He would not say, I have so many gallons, which have increased a shilling a gallon in value; he would, on the other hand, have to deduct for himself what it costs him; the interest on his money and so on.

132. Blending of British and foreign spirits you say is allowed in warehouses only for exportation?—That is all. I believe no application has been made by the trade for doing it otherwise. I do not think we have any legal power to prevent its being blended for home consumption, but it has got to be the fashion so to speak, and I am not aware in my experience of ever having had an application that blending should be allowed for home consumption. I think there is no law; it is a regulation.

133. Is there, to the knowledge of the Inland Revenue, any blending of German spirit and British spirit in any bonded warehouse in Ireland or elsewhere for home consumption?—We do not know of such a thing.

134. You say you do not know of it?—I might say I am sure it does not exist.

Mr. *M'Ewan.*

135. You said that spirits improve by keeping; in what respect do they improve; are they more wholesome, or is it merely that the flavour improves?—When I said that whiskies improved by keeping, I wish to draw a distinction between those spirits; I will not call them whiskies which have been rectified, but plain spirits.

Mr. *M'Ewan*—continued.

136. Does patent still spirit not improve by keeping as well as pot still spirit?—I do not think they improve by keeping long. It may be a fancy taste.

137. It is more the flavour that is improved, you think?—It is more the flavour.

138. But you do not consider they are more wholesome?—No.

139. Patent still spirits, you say, are almost absolutely pure?—Very nearly so. I think you would have an opportunity of seeing how nearly, if you would be good enough to come to our laboratory at Somerset House. They are practically pure.

140. But pot still spirits are not?—No.

141. So that mixing patent still spirit with pot still spirit will produce a more wholesome spirit?—Yes. I am supposing, of course, that the whisky was newly made, and in that case, if rectified spirit was mixed with it, so far it would go to purify it.

Mr. *Boord.*

142. You spoke of the increased value of the whisky by keeping, as being 4 *d.* to 1 *s.* a gallon per year. I suppose that is only hearsay?—It is a little more than hearsay. I have not thrown it out haphazard; it is from information which I have got from the trade.

143. You have no means of calculating what the actual cost per annum of interest and warehouse charges would be?—No; I think a member of the trade would give you that better.

144. You said that spirits were not allowed to be sold; to be retailed, I suppose, you meant, at less than 25 under proof by the Sale of Food and Drugs Act?—That is so.

145. But they are so sold, are they not?—Not that I am aware of.

146. Is it not the fact that, if the dealer puts the strength on the bottle, he may sell them under that limit?—I am not concerned in the administration of that Act, and can hardly say.

147. The Sale of Food and Drugs Act merely says that the customer must have goods of the description and quality he asked for; are they not sold under that?—You mean that, if they say it is under that strength, they may sell it under that strength.

148. Yes?—I believe that is so.

149. I wanted to clear that up, because I thought you meant to tell the Committee it was actually prohibited by law?—I ought to have said that, if it is announced that it is diluted with water, I believe it is quite legal.

150. As regards the duty on methylated spirit, there is a differential duty of 4 *d.* per gallon that must be paid, is there not?—Yes, on foreign spirit.

151. But if the foreign spirit is methylated then the 10 *s.* and the 4 *d.* also has to be paid?—The 4 *d.* differential duty must be first paid.

152. And that 4 *d.* is not allowed by way of a drawback in the case of foreign methylated spirit being exported?—No.

153. Therefore the foreign methylator can underseil the English methylator, and has an advantage over the English methylator, in that

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Mr. *Boord*—continued.

he can sell at least 6 *d.* a gallon cheaper than the English methylator. Methylated spirit, you remember, is about 65 over proof, is it not?—Yes.

154. Therefore the 4 *d.* you put on would be equal to more than 6 *d.* on 65 over proof?—Yes.

155. Therefore, the English methylator, if he wishes to export methylated spirit made of foreign spirits, must do so at a disadvantage of more than 6 *d.* a gallon as compared with the foreign methylator?—Yes.

156. You drew a distinction between rectified and unrectified spirits just now; I did not quite catch what the distinction was?—What, strictly speaking, would be rectified spirit, would be that which has passed through the rectifier's still. You are no doubt aware what is the difference between patent still and pot still.

157. Yes, I understand that. Do you mean that whereas unrectified spirit, pot still spirit, does improve in bond, rectified spirit does not improve in bond?—That is my opinion; I give it merely as an opinion.

158. And that therefore there would be no object in keeping rectified spirit in bond?—I should think none at all.

159. Coffey still spirits?—None at all, I should think.

Mr. *Healy.*

160. I suppose it is no reflection upon your Department to say that hitherto you have looked upon all these questions from a purely fiscal point of view?—Clearly.

161. The mind of the Department has not been directed keenly, until the present Committee was appointed, towards such questions as we are now investigating?—No. I might say that I have only followed the policy which has been for 30 years carried out by the Inland Revenue Board, which is to impose upon the trade as few restrictions as possible consistent with the collection of the duty.

162. Leaving it to such Acts as the Sale of Food and Drugs Act and matters of that kind to protect the public in the matter of consumption?—Yes.

163. Your Department has only viewed the matter from a revenue point of view?—Yes.

164. I may take it, may I not, that there are in your Department a whole army of officials who must necessarily be more acquainted with what I may describe as any flagitious acts in the trade than you could possibly be?—I have no doubt that is correct; but at the same time I have kept my mind very much open to questions that might be put such as you have put to me now, and I have constantly endeavoured to make myself aware of anything that takes place of that kind, although it does not interfere with the Revenue, I am not quite sure that it would afflict me very much. I may illustrate that by a parallel case that has often occurred in connection with the beer trade; It has been very often mentioned, as honourable Members are aware, in Parliament, and there have been many deputations and many private members and private friends have said to me that beer is constantly in the habit of being adulterated, and they have asked me, both officially and privately, to have samples taken

Mr. *Healy*—continued.

from all parts of the country to see if that is the case. In my own time, and my predecessor's time, we have purchased samples of beer in various parts of the country, in the lowest drinking shops in big towns, as well as in the agricultural districts, and we have never found an instance of beer being adulterated; when I say adulterated, I draw this distinction: adding water would be adulteration at law. Of course we find that, but I mean adulteration in the common sense of the word.

165. Have you done the same with regard to whisky?—Yes; I am bound to say more recently in regard to this question.

166. When did you begin to make inquiries with regard to whisky?—Only in detail when I heard of this Committee.

167. What was the result of your inquiries as to the adulteration of whisky?—The general result is that we have discovered no adulteration. I want to guard myself when I use that word. Of what is popularly described as adulteration we have found nothing. We found of course in whisky a large proportion of patent still whisky added to the whisky, but we have found no adulterant whatever in any sample we have come across.

168. Does the appearance enable you to detect the mixture of patent and pot whisky?—I think I may say yes. But perhaps you will ask our chemist that question.

169. Have complaints been made from time to time of your Department insisting and persisting in describing all spirits as plain British spirits?—I am not aware of any.

170. Is there not a feeling in the trade against your Department for describing all spirits under the common title of plain British spirits?—That is the term, as you are aware, mentioned by law; I am not aware of any complaints.

171. But the laws are drawn, not in this House, but in your Department?—You mean if a complaint came to us it would be our business to put forward the complaint, with a view to the alteration of the law.

172. Would there be any difficulty in your Department adopting a more definite title for the purpose of describing to the public what the various makes of spirits are?—I can fairly say we should most gladly consider any proposals of the trade to that effect.

173. Would not you consider it a fair thing that if I wanted to buy what I consider whisky, namely, an article made from malt, or a mixture of malt and barley, I should be able to buy that article under a definite title?—I should quite think so. At the same time I do not think it would be a reflection on my Department to say, as you have put it, that I do look at it from the Revenue point of view. I consider the buyer should protect himself.

174. Now that the mind of the Department has been attracted towards this question, would there be any difficulty, or would it add greatly to the work of the Department, if a more exclusive nomenclature were adopted?—It would be opposed, to a certain extent, to the policy (I will not call it a right or wrong policy

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Mr. *Healy*—continued.

policy) of interfering as little as possible with trade.

175. Do you think any hardship would be involved in getting your department to abate a little its fiscal character and adopt something a little for the protection of the public, and treat the subject from another point of view than that of pounds, shillings and pence?—I may say we have not adhered rigidly to that policy, because there have been cases in which foreign spirit in our warehouse has been described by a label "Pure Scotch Malt Whisky," and we felt that was too strong even for us, and we interfered and prevented it.

176. Was that since the passing of the Merchandise Marks Act?—Yes.

177. At any rate you have interfered in that case?—We have.

178. Where did this "Pure Scotch Malt Whisky" come from?—Probably Germany. What I personally feel, to speak my opinion frankly, is this: where we do not palpably know what a thing is we do not care, as a revenue department, how it is described, but where a thing is palpable to us, where we know it is an absolute lie, there we think we ought not to allow such a thing to take place.

179. Since the passage of the Merchandise Marks Act has marked the policy of Parliament in favour of the consumer, would it be difficult for your department to tincture itself a little with that view and adopt a more exclusive term for the article with which you have to deal?—That is to say in the matter of labels, is that what you mean?

180. And description?—And description conveyed in the labels?

181. Yes?—What was very much the fashion was to put on the labels "Bottled in the warehouse of Her Majesty's Inland Revenue," or "Customs;" and then it described what they were, we will suppose, falsely. We absolutely prohibited that in any case where we had responsibility at all. That a certain spirit should not be described as pure Highland malt whisky, bonded under the superintendence of Her Majesty's Inland Revenue, we felt was very wrong indeed, because it conveyed to the public that the Inland Revenue authorities, more or less, guaranteed that it was what it said it was; but I am bound to say we have always ignored a statement which may be wrong so long as it was not brought absolutely before our eyes. I quite appreciate your question, that if the tendency of Parliament is to wish for the further interference with, or protection of, the purchaser against the seller, we must obey what the intentions of Parliament are.

182. I do not call it interference; I call it discrimination. Your department would be prepared to discriminate, without incurring a great amount of trouble or expense, a little more closely than it does now?—No doubt it could.

183. If that was the policy of Parliament, your officials would be prepared cheerfully to carry it out?—Certainly.

184. You apprehend no real difficulty?—There would be a little increased difficulty, but nothing serious.

Mr. *Healy*—continued.

185. Do you think that the very name of whisky has not come now to be applied generically, so as to, I will not say deceive, but to mislead?—Certainly.

186. The Coffey patent still, I think, was invented somewhere in the thirties, some 50 years ago?—Yes.

187. In 1834, I think?—The patent was taken out in 1833.

188. Up till then it was impossible to make what was known as whisky except in a pot-still, so that for centuries the article whisky was an article necessarily manufactured from a pot-still?—Yes; I should say that you have put it correctly.

189. Being manufactured in a pot-still, it was necessarily confined to the distillation from particular ingredients, such as malt, or a mixture of malt and grain?—Not necessarily, but generally.

190. The Coffey still, as I understand, facilitates the making of spirit from other articles than malt and grain?—Certainly; I speak with some trepidation in the presence of such great chemists; but, as I understand, a patent still can manufacture spirit out of any sugar-producing article.

191. You are aware, are you not, that Coffey's patent still enables whisky to be manufactured from any sugar-containing product?—Yes, at least spirit.

192. My point is that what came to be known to the trade and to the world as whisky was an article necessarily made from grain, because the pot still could distil practically from no other product than a grain or malt product; is not that your view?—I have here the description of whisky in the United States Pharmacopœia.

193. This is the United States Pharmacopœia description, and I may take this as your answer to my question, I presume: "Spirits obtained from fermented grain by distillation, and containing from 48 to 56 per cent. by volume of alcohol. It should be free from disagreeable odour, and not less than two years old." Would you think it fair to disguise as whisky, and sell to the public as whisky, an article made from, say molasses; would you think it fair to the purchaser?—No, not if it was called whisky.

194. I may take it in the same way that you would not think it fair to the purchaser if it were made from potatoes or Indian corn, or anything of that kind?—There are worse things than that from which it is made.

195. I will say potatoes or Indian corn?—If it was called whisky at all I should think it unfair to the purchaser.

196. The bent of your mind would be, as I understand, that in order to be fair to the public, no piratical fraud should be permitted, but each article should be sold by a definite name?—That is not quite the interpretation of my mind; but I think I said if Parliament wished that to be so, so far as we are concerned in dealing with spirits in bonded warehouses, no difficulties would occur with us. I hate using the word "impossible" because one can do a great deal; but it would be almost impossible to follow out such a rule in the private stocks of the dealers, because it would require a whole army of additional Excise officers to follow up into the private stocks whatever they chose to do.

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Mr. *Healy*—continued.

197. Do you include in private stocks bonded private stocks?—No. Parliament might give us absolute powers to do what we like in bond; but what I as the head of the department should say is that it would be almost impossible (I do not like to use the word impossible) to follow it up into private stocks and private warehouses.

198. You are dealing now with duty paid spirits, I understand?—Yes.

199. I will confine myself simply to non-duty paid spirits. There would be no difficulty, would there, supposing Parliament were to enact, for instance, that the casks going into bond should bear a particular brand according to the material from which the spirit was distilled?—You mean no difficulty from my point of view.

200. Yes?—Are we to verify or take it and follow it up.

201. Take the case of a distillery I have in my mind, where the products do not come into the market in the ordinary way. They make so many million gallons in the year, but what becomes of them only the stomach of the public knows; would you not think it fair for the protection of the public that the product of whisky should be ear-marked by some means by a brand upon the casks as it goes out of the manufactory?—I am rather frightened to answer as to that, because it would involve an analysis, and a difficult analysis, of all spirits that come into bond; and you see the enormous quantities there are.

202. Take a particular distillery and suppose your officials find that that distillery is a pure patent still distillery, there would be no difficulty in the first place, would there, in each cask being branded with a particular mark which the trade would understand to denote patent still whisky?—There would be no difficulty in putting a mark to say it had passed through a patent still. I was wishing to define a little bit between patent still whisky, because I doubt very much our being able to say what is patent still whisky, and what is patent still spirit. You will perhaps ask our chemist that question.

203. I was going to leave that for later inquiry. Would you tell the Committee whether you conceive that there would be any difficulty in so marking the product of a patent still distillery, so that the wholesale dealer would know what he was buying?—I can see no departmental difficulty. Let me be quite clear that I follow your question. I say there would be no departmental difficulty in attaching a mark to a cask, showing that it is or is not patent still spirit.

204. In the same way, if we may go a little further, may I take it that your officials, whose intelligence we are all acquainted with, know almost to a nicety what is going into a particular distillery; they know the ingredients?—Certainly.

205. For instance, supposing molasses, brown sugar, or maize is used, they would know that?—Certainly.

206. There would be no departmental difficulty in providing that if a distillery purported to make whisky, it should only be allowed to use certain products for the manufacture of the whisky?—There would be no departmental difficulty.

Mr. *Healy*—continued.

207. Assuming that it is ascertained to be unwholesome to drink a spirit distilled, we will suppose, from potatoes, do you think there would be any real difficulty or any real disadvantage to the honest manufacturer in providing that he should not distil from certain prohibited sugar products?—Assuming they are unwholesome, I think it would be fair to the purchaser that he should be protected in every way we can protect him from taking those unwholesome spirits.

208. And your department would have no difficulty in providing, we will suppose, that cheap molasses, assuming that to give you a worse spirit, or an article of a coarse character like that, should not be used in the manufacture?—There would be no difficulty, so far as the Department is concerned, in knowing whether it was made from molasses.

209. And in prohibiting the use of a coarse ingredient in the manufacture, if Parliament so desires?—There would be no departmental difficulty whatever. I am strictly confining myself to the point of departmental difficulty.

210. Since the introduction of the Coffey patent still it has been possible to manufacture spirit from all these various ingredients which I have enumerated?—Yes, and other materials of a saccharine nature.

211. If I am trenching on chemical questions, perhaps you would prefer that I should ask your chemist?—The question as to whether it could be done in a pot still is a question that perhaps Mr. Molineux will answer.

212. I was going to come to that later on, but perhaps I may ask it now; do your department contend it would be possible for a distiller to manufacture from all these ingredients through a pot still?—I believe it would be the opinion that spirits could be made from a pot still as well as from a patent still.

213. As I understand, the pot-still workers contend that it is impossible to make a commercially paying spirit in that way?—I could hardly speak to that.

214. Do you think, from the point of view of the protection of the public, it would only be fair that the public, in buying an article as whisky, should know what they are buying?—I would rather not give an opinion upon that; for my opinion would be valueless. It is old fashioned nowadays to suggest *caveat emptor*. As I said before, the policy of our department has been to keep it strictly as a Revenue Department, and not either to think of morals or of health, but strictly of the Revenue Department; and, so far as my opinion is concerned, I should be very anxious to keep the Department's attention free from these disturbing qualifications.

215. Then I will not press you further upon that point. You employ a whole army of officers on your staff who are quite acquainted with what is going on in your warehouses and distilleries?—Thoroughly acquainted.

216. I suppose you would be prepared to give us the names of those who are most experienced as regards the distilleries thoughout the kingdom and in the bonded warehouses?—Mr. Molineux,

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Mr. *Healy*—continued.

Molineux, our Chief Inspector of Excise, will be able to give you complete technical evidence upon everything that takes place in the distilleries and in the bonded warehouses.

217. I wish just to ask one other question upon that score. Have your department had reported to them complaints as to what is called the grogging of whisky in the process of and "racking"?—Yes, it has been a subject which has occupied our attention for many years.

Chairman.

218. Will you explain to the Committee what "grogging" is?—Commonly speaking it is taking the cask which has contained spirits, and after the spirit has been emptied out, putting water into the cask, and keeping it there some time to extract from the very absorbent wood all the spirit that has got into the cask and therefore has not paid duty.

Mr. *Healy.*

219. A large profit is made out of that in certain quarters which I will not indicate?—Yes; but a man is not allowed to rack more than once.

220. You have prevented that to the extent of one racking?—Yes, one racking.

221. Are your department aware that a large exportation of casks has gone on from Glasgow towards those particular quarters merely for the purpose of grogging, and that high prices are paid for the casks in consequence?—I cannot deny that.

222. Of course selling spirit made out of the washed-out rinsings of the cask to the public as whisky, is not a reasonable thing?—Not having regard to considerations other than revenue.

223. Your department being so purely fiscal, you do not now prohibit that?—We do our best so far as the law allows us; I mean it has been a matter of very anxious consideration not only in the department, but before the Chancellors of the Exchequer as to whether more stringent measures should not be taken to prevent that, and to give us greater power whereby we could stop it. We think we do all that the law allows us to do now.

224. You would be glad to see the law strengthened?—Certainly, as regards that point,

225. What is the suggested advantage of racking?—I think the gentlemen of the trade would tell you that the advantage of racking is to suit the public taste in the same way that the products of different distillates are mixed up together to obtain a certain taste, and in the same way as is done with tobacco; different tobaccos are mixed up together and sold as somebody's mixture. I take it that the same rule applies to the racking of spirits.

226. But I presume, of course, your subordinates have reported to you that racking goes on for the purpose of grogging, for the purpose of obtaining this spirit?—Everything is done that is possible to obtain spirits that have not paid duty; our object, of course, is to prevent it.

227. You would be glad to see the law strengthened to prevent that?—Yes; as regards grogging.

Mr. *Healy*—continued.

228. And strengthening the law would, at the same time, protect the consumer?—It would protect the consumer from buying what you call the washings out of the casks.

Chairman.

229. Do I understand you to express the opinion that blending should be prevented?—No; I was referring to grogging; I say that we have long had under consideration the question how it would be possible that Parliament should enact stronger regulations to prevent grogging, and I therefore answered the question by saying that I should be in favour of that change in the law.

Mr. *Healy.*

230. That would at the same time protect the consumer by preventing his buying the washed-out rinsings of a cask as whisky?—Yes.

231. With regard to German spirit and the blending of German spirit; you say to your knowledge that does not go on otherwise than for exportation?—That is so, I believe.

232. For the purposes of exportation, does not your department practically make itself a party to fraud in saying spirit sent abroad is English spirit, when in point of fact it is not English spirit, but a mixture of English and foreign spirit?—No; because in the case of British and foreign spirits being blended in warehouses, and being exported, it is so marked on the cask.

233. What is the mark put on?—It is actually described "British and foreign spirits mixed in bond."

234. Is that since the Merchandise Marks Act?—No.

235. Was it always done?—So far as I recollect, it has been so for many years.

236. Has your department legal power to insist upon that?—Yes.

237. Could you tell me, or would you rather I should ask one of your subordinates, what is the proportion in which German spirit is mixed to the native spirit for exportation in the mass of spirit exported?—I can get you that information. I cannot give it you at the moment.

238. The German spirit we may take it is a very cheap article. I suppose we shall have somebody from your department who will tell us the process?—Yes. That would be strictly speaking a matter for the Customs, but anybody, of course, in our department could tell you that.

Chairman.

239. The Customs will give evidence?—That would be a question for them.

Mr. *Healy.*

240. Have not the native manufacturers suffered to a very considerable extent from a matter which I believe has now been rectified, namely, the different mode of computing the gallonage of German spirits?—Yes, no doubt.

Chairman.] The Customs are going to give evidence upon that; it is entirely a Customs question.

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Mr. *Somervell.*

241. You have not described the method in which the spirit is moved out of bond by the system of permits, and how it can be followed; could we have that upon the Notes?—I will explain it. I brought a permit to show the Committee which I will hand in (*handing in the same*).

242. Spirit which has paid is not free to be moved about the country without being accompanied by a permit?—That is the case.

Mr. *Jackson.*

243. A limited quantity be moved without a permit, can it not?—Yes, one gallon.

Mr. *Somervell.*

244. For trade purposes practically, a permit is required?—Yes.

245. By this system of permits the identical spirit can be easily traced by the Excise officers; any individual cask or any case of bottles could be traced from the moment it left the bonded warehouse through any middlemen until it got into the hands of the dealer, who intended to retail it to the consumer?—That is so.

Mr. *Jackson.*

246. Can you trace it so far as bottles?—To the dealer we can trace it exactly; but if it is in the dealer's own vaults, in the dealer's hands, we lose all trace; he may distribute it by single bottles or by dozens, and we lose all trace of it.

Mr. *Somervell.*

247. Was it not the case at one time that on these permits you had a description of the kind of spirit?—Not of late years.

248. Was not it the case at one time that these permits gave greater details in regard to the spirit than they do at present?—It was so at one time, but it was a long time ago, before my time at all events.

249. Those particulars were dropped out?—They have been omitted; I have no doubt in pursuance of the policy I have mentioned of trying to simplify everything as far as we can.

250. At one time there were particulars put upon the permit so that the purchaser or any official was able to trace it and identify it at any stage until it came into the consumer's hands?—That was so.

251. Is it not the case that the spirit merchant has to keep a book in which he enters the quantity of spirits he receives, and that book is examined, or open to be examined, by the Excise officers, and the permits are liable to be called for by the Excise officers?—Certainly.

252. You have given us no evidence with regard to the German spirit?—That would be a matter for the Customs.

253. When German spirit has paid duty it also has to go out under a system of permits for consumption in this country, has it not?—Yes.

254. It comes under the supervision of the Excise from that moment?—That is so, when it has left the warehouse.

255. You tell us there is no mixture of foreign

Mr. *Somervell*—continued.

and British spirits in bond for home consumption?—Yes.

256. You have given us no figures with regard to the increase in the importation of German spirits?—That is for the Customs.

257. Assuming, for the moment, there is a large trade done in the blending of German spirits with British spirits for the purpose of being sold as Irish or Scotch whisky, would there be any practical difficulty in having a different coloured permit, we will say, for the German and for the foreign spirits, so as to enable the Excise officer at any moment to detect the fact that a retailer had in his possession and was selling, I will not say under what name, but was selling to the public British spirits and foreign spirits?—There would be no departmental difficulty in having different coloured permits.

258. By such a system of permits there would be no difficulty in tracing into the hands of the dealer, or the person who blended the two together, the two different classes of spirit?—No; but there it must end.

259. Assuming that it was enacted that every person who sold British and foreign spirits mixed was obliged to label, and put on a label saying "Mixture of British and foreign spirits,' so as to tell his customers, and assuming that he did not comply with the regulations by having a notice up in his shop saying that he sold a mixture of British and foreign spirits, or had not his casks labelled in a certain way, if the Excise officer went into that man's shop and found he had no notice or label, there would be no difficulty, would there, in proving that the man had had in his possession both British and foreign spirits?—You are assuming, I suppose, that there would be a sufficient army of officers to do it.

260. Supposing it was brought under the sale of Food and Drugs Act, and the inspectors came in for the purpose of detecting adulteration, and they went into any spirit merchant's shop and found he was selling spirits without having any notice up, or whatever might be prescribed, in a way to show that he was selling a mixture of foreign and British spirits and it was desired to prosecute him, there would be no difficulty in the Excise officials giving the necessary evidence proving that the merchant had received foreign spirits on his premises?—There would be no difficulty.

261. So that assuming the sale of Food and Drugs Act was applied, and assuming under that Act a regulation was made by which any person who sold a mixture of British and foreign spirits was obliged to give notice of it to the public (you have said it was very difficult by analysis to detect it), it would be possible to prove that he had got foreign spirits upon his premises, and then the onus would lie upon him to show that he was not selling a mixture?—Certainly; the stock book would show what he had.

262. There would be no insuperable difficulty in carrying that out, would there?—There would be no insuperable difficulty.

263. As

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Mr. *Jackson.*

263. As I understand your answer, you mean that there would be no difficulty in tracing the fact that British and foreign spirits had gone into this man's establishment; but I do not see how the further connection is made, or how you could prove that the particular sample sold to an individual across the counter was a mixture of British and foreign spirits, supposing a notice of his license to sell was up in the shop?—Exactly.

Mr. *Somervell.*

264. But I am assuming there is no notice up?—As I understand your question it is this: assuming that a cask of foreign spirit marked foreign spirit, and a cask of British spirit marked British spirit has been received by the dealer, then, if an officer under the Merchandise Marks Act, or the sale of Food and Drugs Act was to prosecute that dealer for mixing, not having stated that he had mixed, our Excise officer would have no difficulty in proving from his stock book that the dealer had received one cask of British, and one gallon of foreign; that I understand to be your question?

265. Yes; and unless it remained upon his premises the onus would be upon the retail dealer to show how he had disposed of that cask of foreign spirit?—Yes.

266. Of course if a notice was up in the shop that he sold British and foreign spirits he would be entitled to mix and sell the mixture?—Yes. In the particular case put by Mr. Jackson I do not see how we could detect it; but I did not think your question went so far as that. I understood you to ask, assuming there was a separate form for British and foreign spirits, and that permits would have to be entered into the stock books kept by the dealer, then the Excise officer would be able to say, This dealer has received so many casks of British and so many casks of foreign spirits. I say there would be no difficulty about his proving that.

267. But there would be great difficulty in bringing it home to a particular mixture, as Mr. Jackson put it, if the dealer puts up the notice in the shop?—Quite so.

268. It could be followed up to the stage I have suggested?—Yes.

269. You defined a patent spirit as really a mixture of alcohol and water?—Yes. I think that was the Chairman's definition, which was a better one than I could give.

Chairman.

270. With very small impurities?—With very small impurities.

Mr. *Somervell.*

271. Can you give any opinion as to whether the alcohol distilled from potatoes is injurious to the health of the consumer?—We have no reason to suppose that anything we have come across in all we have been endeavouring to get samples of is deleterious to health; but we should admit that very impure new whiskies might be deleterious to health.

272. Can you give any opinion with regard to the German spirit which is imported, as to whether it is deleterious to health or not?—I should say it certainly was not deleterious to health, so far as it is used in consumption. Of course there may be very coarse spirits which are merely used for methylation, which, no doubt, our chemist would say are deleterious.

Mr. *Somervell*—continued.

Chairman.

273. Your chemist would be able to give us analyses as regards foreign spirits, I presume?—Yes, as regards British and foreign spirits of all kinds.

Mr. *Somervell.*

274. You gave us the figure with regard to the increase of spirits in bonds?—Yes.

275. You suggested as a reason for that the increased demand for mature spirits or the increased value by keeping?—I suggested both.

276. Is there possibly a third reason. Are you aware that the importation of German spirit has recently increased from half a million to three and a half million gallons?—I am aware that it has increased.

277. And you are aware it is a very cheap spirit. Is it not possible that the increase of whiskies in bond, in malt spirits in bond, may be owing to the increased use of this cheap spirit for blending purposes with malt spirits owing to the impossibility of getting a remunerative price for the malt spirit that is made now?—No doubt that ought to be added as one of the reasons.

278. Admitting that a large quantity of German spirit goes out of bond and is mixed with British spirits, and is consumed in this country, do you include that consumption in the 28,000,000 gallons which you gave as the total consumption, or would that coming out of the Customs be additional?—In giving those figures I am dealing solely with British spirits.

279. If German spirit was used for blending with whisky and sold as whisky, that would be a further consumption of spirit sold as whisky beyond the figure which you gave?—Yes; you must add what the Customs would give you.

Sir *Henry Roscoe.*

280. With regard to the first portion of the instruction to the Committee, namely, as to the question, "whether on grounds of public health it is desirable that certain classes of spirits, British and foreign, should be kept in bond for a definite period before they are allowed to pass into consumption." I should like to ask you whether in your opinion bonding for any definite period of the patent still spirit would be useful as affecting the public health?—I should say in no way at all.

281. But on the other hand with regard to the pot still spirit or the spirit made with whisky which contains impurities, would the bonding for a definite period be of service or might it be of service?—I should think so.

282. Therefore we have to distinguish between the two classes of spirits?—Yes.

283. Assuming the patent still spirit is of a purer character than the other the bonding of the other spirit, the impure spirit might be of service whilst the bonding of the patent still spirit, for a considerable period would not be so?—Quite so.

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Sir *Henry Roscoe*—continued.

284. What is your general opinion as to putting restrictions on the use of bonded spirit, within a certain period?—My own view would be to leave it alone. I have shown figures which go to prove that the commercial interests engaged are sufficient to guarantee that whiskies should be kept, and my opinion upon that point is further strengthened by what I should consider the absence of any necessity whatever for keeping in bond spirits which have passed through a patent still. I think, too, the very great hardship and expense which would be thrown upon the distillers in having to keep the spirits in bond ought to be considered. They would have largely to extend their warehouses as you will see at once, and, of course, there is the turn over of their money to be borne in mind, and all that expense would be incurred for no purpose so far as I can see. Therefore I think that supposing there was an Act passed, as the outcome of this Committee, it would be almost just to exclude from its operation spirits that pass through the rectifiers' stills, because it would be needless to keep that. In that case, supposing you dealt with whisky, the volume you would exempt would be larger than that which you would legislate for. I think anything that has passed through patent stills is no better for keeping.

Mr. *Somervell.*

285. You said rectifiers "what passed through the stills" just now; I think you said there are only 6,000,000 gallons that pass through the rectifiers' stills?—Yes, I said "rectifiers' stills;" I should say what has passed through patent stills is not better for keeping.

Sir *Henry Roscoe.*

286. We may take it as your opinion that so far as the larger volume of spirit is concerned, namely, that which has passed through a patent still, any restriction on bonding would not be advisable?—I think not.

287. As regards the other portion, namely, the pot still whisky, which is improved by keeping, would you go so far as to say that it would be desirable to make a difference in that instance, or could that be done?—No doubt it could be done; but if you ask me my opinion, I should say I think it quite unnecessary, because I think the demand of the public is sufficient to get the thing done without any legislative interference.

288. You think the taste for new whisky is not likely to be one that the country would wish to indulge?—On the contrary I think that the taste for matured whiskies is gaining ground. May I add my reasons against keeping in bond for a certain period; the hardships that would be inflicted on distillers in bonding spirits that are so to speak pure, would be shared very largely by the foreign importer of purified spirits. If you take, for instance, the case of French brandy which was six or seven years old, you would have no proof in this country that it was six or seven years old; and if there was an Act passed to keep all spirits in bond for a certain period it would apply to all foreign spirits and, to put an extreme case, you might take six years' old brandy, and keep it in bond at a great expense to the importer.

Chairman.

289. It would introduce the old certificates of origin which it would be very difficult to follow?—Quite so; we believe that the German spirit imported has all passed through a very rigid system of purification, except that of a very cheap and coarse quality used for methylation.

Sir *Henry Roscoe.*

290. There is a common opinion abroad that the German spirit which is imported is of a very deleterious, impure, and unwholesome character, is not that so?—That is the popular opinion.

291. Is that opinion, in your view, a correct one?—I believe not at all.

292. You believe that the German rectifiers know quite as much about their business as the English?—Yes; I should say that the German spirit is as good and as pure as the British spirit with the qualifications I have given.

293. We can obtain particulars from your chemist upon that point, I presume?—Yes.

294. With regard to the mode of manufacturing whisky, the honourable Member for North Longford has asked you as to the materials employed. I should like to ask you whether you can give your opinion as to the importance of the question of materials employed; if we have the product obtained, and assuming that this product is pure, is not this the question we have to consider, rather than the question of the materials from which the result is obtained?—I should think so; that is to say, the product is the object and not the origin of the product.

295. Taking the spirit obtained from a "Coffey" still, whether it comes from molasses, or from rice, or from any other material which is converted into alcohol, is the product as pure a spirit as that obtained by the pot process, from grain?—A purer spirit, I should say.

296. Therefore if the question is to obtain pure alcohol, the material from which that alcohol is obtained has no reference whatever to the question?—I should have thought not.

297. Is there any definition anywhere of what whisky is?—None that I am aware of. I have given the best definition I can, but there is no legal definition of any kind. I do not know if there is any scientific definition anywhere; I never heard of one.

298. With regard to the second point of our inquiry, namely, as to the propriety of applying the Sale of Food and Drugs Act to British and foreign spirits, is it in your opinion desirable that the German spirit, for example, should be treated as an adulterant; can you consider that it is an adulterant in the ordinary sense of adulteration?—I should say certainly not.

299. By a falsification, I presume we mean something which deteriorates the price; by an adulterant, something which is deleterious to the health of the consumer?—I have no doubt it diminishes the price; but I do not think it would operate prejudically to health in any way. I do not think the German spirit, such as is imported for the purposes of consumption, in any way prejudices the health of the consumer more than any other spirit.

300. Could it therefore be included under the Sale of Food and Drugs Act as an adulterant?—I cannot conceive that it could with any justice.

301. Putting

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Mr. *Jackson.*

301. Putting that question another way, if the Sale of Food and Drugs Act were applied to this spirit it would be inoperative?—On the grounds of health.

Sir *Edward Harland.*

302. You spoke about the blending; did you say it was permitted, or at all events it was only practised for spirits to be exported?—Yes, it is both permitted and practised in that case.

303. Do I understand that there is no law either at the Revenue or the Customs, or any Act of Parliament against blending for home consumption?—There is no legal enactment to the contrary.

304. Then if the manufacturer chooses to do so, he is at liberty to do so; is that so?—I will not go so far as that, because we have very great power under the regulations. There is a regulation prohibiting blending except for exportation only, and hitherto the regulation has never been questioned. There is no legal enactment touching the question of the blending for home consumption of British and foreign spirits.

305. The general idea has been that the small still whisky is better than patent still whisky, but your remarks with regard to there being less injurious foreign matter left in whisky which is produced by the patent still than in that from the small still, lead you to state that whatever advantage there might be in bonding whisky from a small still, you do not see any advantage from bonding products from a patent still?—That is so.

306. That being the case, could you fix any term of years that you think would be desirable for bonding small still or pot still whisky, looking at the question merely as a matter of health?—I would rather you asked Dr. Bell that question when he comes. I do not think myself that a year would be sufficient, if you are really going to guard the health of the people. I should prefer a longer period than that.

307. You said just now you thought the public taste was improving, so that people generally would not consume raw spirits where they could get well matured spirits. No doubt you are aware that the working population in many large towns drink across the counter a class of spirits which is described commonly as so raw as to be suspected of being mixed with (to use the popular expression) sulphuric acid; that spirit, I find from inquiries I have made, does not really contain anything of that kind, but it is suspected of doing so simply from the rawness of the spirit; having regard to these cases of persons whose taste is not so cultivated as that of gentlemen in this room, and who form a large section of the consumers, do you think it would be advisable not only to improve the taste, but to protect the digestive organs of the masses of the people by some sort of stipulation which should necessitate raw spirit being kept so long a time in bond as to lessen or completely remove that rawness?—I think that is a small argument in favour of it; but, on the other hand, I am told by gentlemen largely connected with the trade, that the discernment of the general mass of drinkers is very acute. There are, no doubt, very depraved tastes that will drink adything; but when you have exdluded that exceedingly depraved taste, I am told that if any deterioration in the quality of spirits sold at an ordinary public-house takes place, it will be very rapidly discerned. Therefore I think, if any alteration were to be made, it would only affect that limited number of people whose tastes are so depraved.

Sir *Edward Harland*—continued.

308. You were asked by the honourable Member for North Longford as to whether you thought your department could undertake to determine between patent still and pot still whisky, so that you could accept the one as patent still and the other as pot still whisky, and so mark it, and it could leave bond with that mark on as a sort of indication of genuineness; could you check the truth of the assertion that it was a particular kind of whisky; is your chemical department able to detect the difference as to the quality of the materials from which such whisky is produced?—Our chemical department is so able that I have no doubt in the course of a very minute analysis it would discover almost anything; but I think it would be impossible, having regard to the mass of spirits that are put into bond that our officers, however well educated, could discern the difference.

309. I gather it would be possible for your department to discriminate between the products of a pot still and a patent still with some degree of certainty, and to determine that certain products of one still should be kept separate from the other, and so prevent there being an interchange or mixture of the one with the other, with the object of perhaps interfering with what legislation might determine to do?—No doubt it would be possible; I do not go further than to say it is possible because it would involve considerable interference.

310. It might entail very laborious duties you think?—I should think it would entail considerable interference with the distiller, and of course it would require more restrictions being put upon his operations.

311. With regard to grogging may I ask when it is that you measure the whisky; is it as it enters bond or as it leaves bond?—It is measured as it comes into bond and then certain deductions are made, and the duty is charged on leaving bond, allowing for its different state from evaporation and so on.

312. The measurement for duty is upon what leaves bond?—Yes.

313. Supposing, for the moment, the cask were a gigantic sponge, which wood, is to a certain extent, and that there were 50 gallons in it when it went into bond, and that the wood absorbed, say, 25 gallons of it (of course I am exaggerating it), then the whisky going out would only pay on 25 gallons, the other 25 gallons remaining in the wood. Then, as I understand, comes the grogging by which a large proportion of the 25 gallons absorbed by the cask would be taken out of it, upon which little or no duty would be paid, and hence the man gets a large profit on that little transaction; is that it?—Yes.

314. All arising, I presume, from the fact of your measuring the whisky as it left bond rather than as it entered?—Yes.

315. Because, of course, if people paid duty upon

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Sir *Edward Harland*—continued.

upon what had entered, they would be entitled to get out of the wood what is absorbed by the wood?—Yes, if no allowance was made for waste.

Mr. *Somervell.*

316. Of course the quantity absorbed is not anything like that proportion?—No, that is a great exaggeration. I take it that the honourable Member only put that as an illustration.

Mr. *Healy.*

317. Sir Henry Roscoe put this matter to you just now as if it were a pure matter of chemistry; but if it were a pure matter of chemistry, how is it that pot still whisky is sometimes double the price of patent in the market. From his point of view as a chemist, as I understand, the great matter is to get pure alcohol as an intoxicant. The trade, however, and the public, prefer the pot still whisky, as is shown by the fact that they pay double the price for it?—I am rather afraid of answering the question; but I take it it is because of the flavour, and not a chemical question, as Sir Henry Roscoe put it, as to the purity of the spirit; I give that opinion with diffidence.

318. The allegation that we make is different. As I understand, the contention (of course it is a contention very difficult to subject to chemical analysis), it is that some of the ingredients which come from the pot still (and which the patent still entirely destroys) remain and generate, useful as well as pleasant products?—No doubt that is so; it gives the flavour.

319. We say it is not purely flavour?—I understand it is the flavour.

Chairman.

320. Are you aware that in France spirits must have a certain standard of purity by law?—I am not aware of that.

321. If this Committee chose to recommend a standard of purity, would not that be very much to the detriment of whiskies, because, as you have told us, the patent still spirits are much more pure as regards fusel oil and other ingredients; so that if we were to establish a standard of purity it might be very much in favour of patent spirits as against the whiskies?—The patent spirits being made of a much higher strength.

322. And containing little fusel oil and other impurities?—No doubt.

323. In saying that you thought it would be fair to make whisky ear-marked as being made from pot stills, you did not, I presume, intend to refer to whatever materials might come from pot stills?—No, I did not mean to say that to ear-mark whisky as being made from pot stills would be fair, but only that it would be possible. What I meant was that I did not see any difficulty in ear-marking it. As I understand, your question suggests marking what comes from a pot still whatever material was put into the pot still, and we know accurately what that is. As I said early in my evidence, a pot still could make alcohol from various products, but so far as our information goes we are not aware of any case where *the* pot still is used for anything except malt and grain.

324. For instance, in Scotland, is it not the case that whiskies are chiefly made from malt, and in Ireland they are made from malt and a mixture of grain?—Yes, with few exceptions.

325. But whiskies are produced in either case?—Yes.

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Tuesday, 15*th July* 1890.

MEMBERS PRESENT:

Mr. Boord.	Mr. M'Ewan.
Sir Edward Harland.	Sir Lyon Playfair.
Mr. T. M. Healy.	Sir Henry Roscoe.
Colonel Hill.	Mr. Somervell.
Mr. Jackson.	Mr. Vernon.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

Mr. JOHN MOLYNEUX, called in; and Examined.

Chairman.

326. WHAT is your position in the Excise?—Chief Inspector in the Excise.

327. Have you been long connected with it?—I have been in that office nearly nine years.

328. I would first ask you some questions upon the quantities of materials used in making British spirits in the year ending 30th September 1889?—I would like to say that these quantities are based upon returns made by the distillers; we do not take any account of the quantities of materials now, but the distillers are required by law to make returns at the end of every period. Quantities of materials of various kinds used in distilleries in the year ended 30th September 1889: malt, 907,971 quarters; unmalted grain, 1,055,222 quarters; sugar, 31,152 cwt.; molasses, 211,464 cwt.; rice, 57,721 cwt.; jawarree——

329. What is jawarree?—Small brown seeds.

330. Where do they come from?—I do not know where they come from, India I think. Jawarree 8,898 cwt.

331. Now, can you tell me how many distilleries there are in which malt alone is used?—One hundred and fifteen distilleries where malt alone is used.

332. How many distilleries are there in which malt and mixed grain is used?—Forty-two.

333. And how many distilleries are there in which sugar and molasses, in addition to malt and grain, are used?—Five.

334. And you have mentioned rice; how many are there in which rice is used?—There are four distilleries in which rice is used in addition to the other materials.

335. Are potatoes or roots of any kind used in this country in the process of distillation?—Neither potatoes nor roots of any kind are used in this country.

336. Have you any returns which would show what was the estimated produce from the materials you have mentioned?—With regard to the estimated produce from materials, the average quantity would be 18 gallons per quarter from malt; about 21 gallons per quarter from grain.

Chairman—continued.

337. From unmalted grain?—Yes; but, of course, a small quantity of malt is always used, 10 gallons per cwt. from sugar; 7 gallons per cwt. from molasses; and 7½ gallons per cwt. from rice. I might mention that the percentage of malt used in distilleries where malt and grain are used, mixed together, would be 18·3 in England, 32·6 in Scotland, and 32·4 in Ireland.

Mr. *Healy.*

338. You say you suppose there are 18 gallons per quarter from malt as the product, and then you say 7 gallons per cwt. from molasses, and 10 gallons per cwt. from sugar; how does the cwt. of sugar compare with the quarter of malt in point of weight?—One cwt. of sugar would give you 10 gallons.

339. But I mean to say how many lbs. would there be in that quarter of malt?—A quarter of barley malt would range from 300 lbs. to 336 lbs.

Mr. *Boord.*

340. Proof spirit in all cases?—Proof spirit in all cases.

Chairman.

341. Then the quantity, I notice, of the percentage of malt is much the same in Scotland and in Ireland?—Very much the same where malt and unmalted grain are used.

342. That is not the general impression, is it; the general impression, so far as I know it, is that there is more malt used in Scotland and less malt used in Ireland; but that is not so as I understand you?—Well, the proportion is rather greater in Scotland; it is 32·6 as compared with 32·4. It is not a material difference; they are very nearly alike; but it should be borne in mind that at 115 distilleries malt only is used.

343. What I want to get at is this: Is there a large proportion of malted whisky made in Scotland from pure malt, and is there a similar amount of malted whisky made in Ireland in proportion?

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Chairman—continued.

proportion?—It is very much in excess in Scotland; there are 113 distilleries in Scotland working from malt only.

344. I am speaking comparatively?—I could get you the figures exactly.

345. I want to examine you upon a subject which the Committee did not understand thoroughly on the last time that the figures were laid before us, namely, about the total quantity of spirits produced in the year ended 31st March 1890, and how these spirits were disposed of. Now the total quantity that was made was stated to be 40,969,295 gallons; will you tell us how that amount was disposed of?—Of that quantity 27,828,284 gallons were sent out for consumption as beverage; 6,194,135 gallons were retained in bond; 3,371,396 gallons exported; 1,118,361 gallons methylated duty free; 2,040,038 gallons wasted in bond, and 417,081 gallons wasted in distillery stores. That makes up the 40,969,295 gallons, the total quantity made in the kingdom in the year ending 31st March 1890.

346. But those figures, I think, will require some explanation; how is it that in your return here there is only 1,118,361 gallons of methylated spirit duty free; where does the other amount come from that makes about the 3½ million gallons of methylated spirit used in the country?—The quantity of spirits used in methylation came partly from Customs warehouses on the payment of 4 *d.* per gallon partly on payment of the full duty by rectifiers, and afterwards sent out of their duty-paid stock into the methylating warehouse; a part of the British spirits was sent in like manner straight from the distillery warehouse, and some small quantity duty paid; but in balancing this account and the total quantity of spirits made, it is only necessary for that purpose to give you the quantity of spirits methylated duty free, because the quantity upon which the duty was paid is included in the quantity charged with duty.

347. In the 27 millions odd?—It is not that exact figure; it will be nearly 29 million of gallons, because the quantity set forth in the Return as the quantity charged with duty does not quite agree with the quantity sent out for consumption as beverage. From the amount charged with duty you have to make certain repayments, drawbacks, and allowances on exportation. I did not introduce those figures; they only complicate the account and make it difficult; but the quantity of spirits sent duty-paid for methylation, is included in the quantity charged.

348. Now would you break up the number you have mentioned, of 27,828,284 gallons, and show us how that is made up; that is the amount sent out for consumption as beverage?—We have estimated that there are 16 million gallons of whisky made, that is made in pot-still. From the 16 millions I have deducted 800,000 for waste in warehouse; that gives me 15,200,000 gallons of pot-still whisky; then there are 6,628,284 of patent-still spirit.

349. Added to the whisky?—Most of it is blended, although some of it is not blended, That makes 21,828,284 gallons of spirits sold as

Chairman—continued.

whisky not being wholly whisky in the ordinary sense, being pot-still whisky only to the extent of 15,200,000 gallons.

350. Sold to the public as whisky?—Yes.

351. Now what is the difference between that and the 28 millions nearly that you gave as the quantity sent out for consumption as beverage?—We have then six millions left to be accounted for; those six millions are sent from the large distillers to rectifiers: they are rectified after they get there as a rule, and made into gin and British brandy. Now that quantity, added to the previous figure, will give you 27,828,284 of spirits consumed as beverage.

352. Then the six millions will chiefly go into gin and British brandy?—Certainly. Some foreign plain spirit also may be consumed; it cannot be distinguished when mixed with British, but the quantity of such spirit, delivered duty paid, is only 1,791,386 gallons; and it is known that some considerable portion of it has been used in methylating; none of it has been blended in bond. It therefore appears clear that only a comparatively small quantity of foreign spirit is mixed with whisky in the stocks of wholesale dealers and retailers.

353. You do not know what is done outside; you are speaking of the warehouses?—No, I am speaking of outside; I am trying to show that the retailers could not have a great quantity in their stocks, because a considerable quantity of duty-paid foreign spirits was methylated.

Mr. *Healy.*

354. Does this appear in the returns presented to Parliament?—These returns have not been presented. The difference between the 29 millions odd and the 27,828,284 I have explained.

Chairman.

355. Perhaps it will shorten your examination if I ask you if you have heard the evidence given by Sir Algernon West?—Yes, I was present when he gave his evidence, and I am able to confirm that evidence in every particular.

356. In some of the cases they were estimates I think, only?—Yes, only estimates. As I have already stated to the Committee the quantities of materials used are figures based upon the returns made by distillers.

357. But you believe that these estimates are as near as you can obtain them?—Yes, I believe all the estimates are as near as we could get them. Of course the 16 million gallons of pot-still whisky is partly estimated, because whilst we have 13 millions that we are quite certain is made in pot stills, there is a quantity made, both in pot stills and patent stills, and we have had to estimate how much was made in patent stills, and how much in pot stills.

358. Does the strength of the spirit in bond vary very much?—The spirits are generally bonded in Ireland at 25 and in Scotland at 11 over-proof. Those are the usual bonding strengths.

359. That is of whiskies?—Yes, of both whiskies and the other. Occasionally a very strong

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Chairman—continued.

strong spirit is bonded, especially where it is bonded for a particular purpose.

360. Of course the patent still spirits are bonded at a very much higher strength than that?—Sometimes, not always; they are very often reduced to 25 per cent.

361. They are made at a much higher strength?—Patent-still spirits are made at a strength of from 60 to 70.

362. Is the object of diluting them, when put in bond, to prevent the loss by evaporation of alcohol?—It partly has that effect; of course very strong spirits will evaporate quickly; but it is for the purposes of trade; it is a recognised strength.

363. Is it not the fact that the character of the warehouse, whether it be dry or moist, has a very considerable influence upon the maturing of whiskies?—I could scarcely speak with certainty as to the maturing; it has a great influence upon the waste; if whisky is stored in a very dry warehouse it loses liquid quantity more than in strength.

364. In a dry warehouse, is it not the fact that it does not decrease in strength so much, but loses water?—That is so, but in a very damp warehouse it loses strength very fast.

365. Can you give me anything approaching an average of the loss of strength of whisky in bonding in the course of a year?—I have taken out some returns with great care, and I find that in the first year the loss is 2¼ per cent. of strength, nearly 4 per cent. in three years, and from 6 to 8 per cent. in five years. Of course these are estimates only.

366. That is to say, these are the amounts that you would have to allow for as waste?—Certainly; and in addition to that, of course, leakages. Waste is allowed to the extent of 5 per cent. in first year, and 2 per cent. in each following year. Now do you wish me to say anything about the strength of spirits as they are generally distilled?

367. Yes?—You asked me about the strength of the patent-still spirits. I gave you that as between 60 and 70. Some of the pot-still spirit is brought off as low as 13·5 over-proof, and some whisky is brought off nearly 50 degrees of strength over-proof. It varies from 13·5 to nearly 50 over-proof.

368. But are they bonded at such high strength?—No; they are generally bonded at 11 over-proof in Scotland, and 25 in Ireland.

369. Supposing that Parliament were to enact that spirits of all kinds should be bonded for a certain period, would that require much more warehouse accommodation than you at present possess, or would the warehouses be sufficient?—I am quite certain that here and there some additional warehouse accommodation would be necessary; but I do not think that the extension of warehouse accommodation would be so great as might be imagined in the first instance. In some of the great centres there is a considerable amount of unoccupied space, so that I do not think that the extension would be very serious, nor would the extra cost of official superintendence be very great.

Chairman—continued.

370. In point of fact is it not the case that all spirits are bonded for a time except about 2,000,000 gallons?—That is so; but I wish to remark with your permission that there are certain distillers, very large distillers, who make almost entirely for rectification, and who only keep a stock for about a month or five weeks in hand. If you were to make it compulsory for such persons to bond their spirits for one year or two years, it would be an enormous expense to them.

371. Have you any personal experience of your own about the improvement in storing of various kinds of spirits?—I only knew from ordinary observation that spirits after being bonded for some years are very much mellower and more agreeable to drink.

372. You are speaking of whiskies just now, are you not?—Yes, I am speaking of whiskies.

373. But as to the patent still spirits?—I am told by the trade that there is some improvement in ordinary patent-still spirit that has not been rectified after it is sent to the rectifiers; but the improvement in it is nothing at all equal to that which occurs in regard to whisky.

374. In fact, it depends upon the character of the impurities in the spirits, I presume?—Certainly.

375. Then you think that only a moderate extension of warehouses would be sufficient if there were a general law as to bonding?—Yes, with the exception I have mentioned about the large distillers; there are 6,000,000 gallons made by them, for the purpose I mentioned.

Mr. *Somervell.*

376. You mean to rectifiers?—It would be chiefly the distillers' warehouse that would require extension.

Chairman.

377. Is it not the fact that the distillers only keep their stock for about a month?—That is, all stock of that kind.

378. In their case would they be put to much expense if they were obliged to bond their spirits for a certain time?—I think they would be put to great expense in building warehouses, in erecting vats, and in providing additional casks, besides the loss from waste which would occur in from 12 months to two years.

379. Perhaps you would give us a little information about the different kinds of operations in the warehouse. Sir Algernon West gave us some, but I think we want a little more?—Speaking from memory, I think between thirteen to fourteen million gallons are operated upon in warehouse. These operations consist of three kinds, blending the whiskies of different distilleries together; racking from larger casks into smaller or for some other purpose; and bottling. Our returns do not give these quantities separately.

380. But perhaps you can separate them into England, Scotland and Ireland?—We could do that. The operations in England amount to 1,981,104 gallons; in Scotland 5,854,603 gallons;

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Chairman—continued.

in Ireland 5,209,267 gallons, making altogether 13,044,974 gallons.

381. That includes both racking and blending?—Racking, blending, and bottling.

382. The racking being the transfer of spirits from one vessel to another; the blending the mixture of several kinds together?—Precisely. It would perhaps help us to form an estimate of the quantity which is blended and racked, apart from bottling, by observing that 6,628,284 gallons of patent still spirit go into consumption; exclusive of the quantity made into gin.

383. A future part of our inquiry will be in relation to the consumption of sulphuric ether; have you any information in regard to that?—The law, as it now stands, permits the use of methylated spirit in making sulphuric ether and chloroform, and provides that no interference shall take place in the sale or storing of those articles. The Board of Inland Revenue have been aware for some considerable time that this ether in one particular part of the country, in the north of Ireland, in fact, has been sold by druggists to country people, not for purposes of medicine, but rather as a stimulant.

384. Is that an extensive practice, so far as you know?—I believe it is not extensive. The Board have ordered inquiries from time to time, with a view to see whether there was any reason for interfering with it; and it was found to be confined to only one district of the country, and the report stated that the rumours were very much exaggerated.

385. Hitherto you have not felt that it interferes much with the revenue?—We have not thought that it has displaced the duty-paid spirit to any extent; in fact, we could not interfere without changing the law.

Mr. *Healy.*

386. First as regards sulphuric ether; would it not be desirable for you, in the interests of the stomachs of people, apart from the question of revenue, to avail yourselves of the Pharmacy Bill, which is now in the House of Lords, to prevent the sale of sulphuric ether by the ordinary druggist, so that it should only be sold, say, by the pharmaceutical chemist?—I am afraid that in small country towns, where the pharmaceutical chemist is a druggist, and carries on other trades besides, that is to say, those of a general provision merchant, that would be an inconvenience to him. We sometimes have proposed to limit the supply of methylated spirit by retail, but we met with opposition.

387. Could you not provide something of this sort: that no less quantity than so many gallons should be sold, and throw upon the purchaser proof that it was required for consumption in the arts, and not as an intoxicant?—That could be done; but I may mention that when we attempted to do it in the case of methylated spirit, and to limit the quantity downwards to one quart, not to let a less quantity be sold, the Secretary of the Pharmaceutical Society waited upon the Chancellor of the Exchequer, and had that taken out of the Bill.

388. Then you have tried it?—We tried to

Mr. *Healy*—continued.

introduce it recently in reference to methylated spirits.

389. I suppose the public were satisfied by knowing you had your eye on it?—We assume that they were. There is no doubt that it would cause great inconvenience to limit it.

390. At an early stage of your evidence you have given us the quantities of malt and malted grain and molasses and rice and the stuff called jawarree used in distilleries; I presume you have had the exact quantity furnished to you consumed in each distillery?—By each distiller.

391. Would there be any objection to putting that in the return?—I may say that whilst we have power to visit every factory, and to become intimately acquainted with the operations and the quantities and proportions of one thing and another in a large factory, we have always been extremely careful not to make any statements which would show to one distiller the procedure of another; and I should think it would be rather inconvenient to be pressed to give any statement in regard to the exact quantities or modes of procedure of any individual place or trader.

392. Your objection proceeds solely on the ground of the exposure of trade secrets?—Yes.

393. Do you think it would be exposing trade secrets supposing you were able to say that in distillery A so many thousand quarters of grain and so many of unmalted grain, and so many cwt. of molasses, rice, and sugar were used, without saying what the proportions were?—If you distinguished the distillery by a letter or number. It would be objectionable.

394. You base your objection to the disclosure on the ground of exposing trade secrets?—Yes.

395. You may have other objections *in petto;* you have not stated them; but taking that objection in particular, and treating that as your real objection, would there be any exposure of trade secrets by stating that in distillery A, B, or C, as the case might be, the consumption of malt in the year was so many quarters, of unmalted grain so many quarters, and the consumption of sugar, molasses, and rice, so many cwt.; where would the exposure of trade secrets come in there?—I think it is possible, supposing that only one man in a large town was a distiller, if you spoke of that distillery and stated the exact quantities that that distiller used of different kinds of material, and described his mode of working——.

396. Why assume that you should describe his mode of working?—Leaving that item out, supposing you gave the exact quantities of different kinds of material, I think it would be very objectionable to the distiller.

397. Do you not think the public would be a considerable gainer if it were known that what purported to be pure whisky in distillery A was made entirely from molasses, sugar, or rice. Why should this Committee protect a fraud upon the public? I am treating the question now from the point of view of whiskies. I have a particular distillery in my eye, not one drop or gallon of the product of which is ever sold in the locality in which it is made; and that dissipates itself throughout the country. I want to know why the

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Mr. *Healy*—continued.

the public should not become aware of what are the mysteries going on in the shape of the products from which whisky is supposed to be distilled in that place?—It appears to me entirely a matter for the Committee to decide what their recommendation would be. I do not know that I am quite qualified to give an opinion.

398. Have you, as a matter of fact, the products used in the distilleries?—Yes.

Chairman.

399. You have them individually, you mean?—We have.

The Committee deliberated in private.

Mr. *Healy.*

400. The Committee have agreed to defer the consideration for the present of the question whether such a return as that which I suggested should be given to the Committee. Now you have had a very great experience, I take it?—Yes.

401. And I daresay in the three kingdoms?—Yes.

402. You, I suppose, like your chief, hitherto have treated this matter purely from the fiscal point of view?—Quite so.

403. And, like him, you have not given your attention to it from the Food and Drugs Act point of view or the Merchandise Marks Act point of view?—No, not in that sense.

404. This importation of German spirit is comparatively a growth of recent times, is it not?—Comparatively recent times; it has been increasing I think a little year by year.

405. Do you consider that from the point of view of the Food and Drugs Act we will suppose, that is to say, from the chemist's point of view, a pure alcohol (that is to say, taking it under the head of German spirit which is said to be a pure alchohol) and our old malt whisky are practically the same thing to the consumer?—I think that Dr. Bell, who is to be examined before this Committee, and who has analysed an enormous number of samples lately, and is still investigating the question with very great care, would be better able to speak to that point than I should be.

406. To some extent I deprecate the pure chemists' point of view, and I suppose you are acquainted with trade opinion, that is to say, you have met with an enormous number of people who have sold an enormous number of gallons in the trade?—Yes.

407. From the point of view of the trade, is a glass of German spirit or a glass of silent spirit as wholesome as a glass of old malt whisky?—I think it is not so wholesome in the general opinion, certainly.

408. It was suggested here the last day, that so long as the public got what is called a pure alcohol distilled from any substance, it would matter little to the consumer what the substance was; is that the trade opinion?—I do not think the trade opinion is that it is a matter of no

Mr. *Healy*—continued.

moment what materials are used; I think they have quite a different opinion.

409. And whatever chemists may say the trade are prepared to pay a much larger price for a sound malt whisky than they would give for what chemists would tell you is a pure alcohol?—I think that is determined by the fact that they do pay a very much larger price.

410. Three and four times the price?—Yes.

411. As this whisky three and four times the price of the so-called pure alcohol is liable to be adulterated with a silent spirit or with a German spirit, would it not be fair to the manufacturer of the dearer article that his trade should be protected from adulteration?—It depends altogether it appears to me on what is adulteration and what is impurity. I think many persons would be of opinion that that which gives whisky its character, its strong flavour, is an impurity; and that when the spirit has been made at 60 over-proof and afterwards rectified, it is perfectly harmless if they do not take too much of it.

412. I do not think you apprehend my question. My question is this: is it fair to the trader, or to the public, that an article which costs 3 *s.* a gallon, say, to produce, and which is whisky, should be liable to adulteration by an article which costs, say, 10 *d.* to produce, and which is a German or a silent spirit?—It seems unfair that a man should not have what he pays for, and asks for.

413. You say it seems unfair; do you think it is unfair?—I do; though I do think at the same time that strong-flavoured spirit is improved very much by blending it with a pure spirit; that is my opinion.

414. But on the question of price, are not both the public and the manufacturer liable to imposition?—I could not say that they are liable to imposition. A man who goes into a public-house, and buys it at the counter might be; but I think gentlemen dealing largely in the trade are not exposed to any imposition at all; they know that it is now the rule of the trade to blend spirits; I do not think they are deceived by it.

415. They are unable to protect themselves. Do not you think that the law ought to enable a man who wants a malt spirit to get it, and that a man who wants this alleged superior article at 10 *d.* a gallon, ought to be able to get it at that price?—When a cask of whisky is bonded, it bears the name of the distiller and the name of the place where it is made; and if that cask is racked, the letter "R" is put upon it to let the person who buys it see that it is racked; if that whisky is blended with other whisky, the letter "B" is put upon the cask; and although these marks are principally for the purpose of knowing when a cask has been blended or racked, yet, nevertheless, being upon the cask, they inform the buyer who views the spirit in the warehouse what has been racked or blended; therefore, he is not placed at a disadvantage from want of knowledge.

416. But to come a little lower down, and come to the man who goes into the country pub; how is he to know?—I suppose he must be

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Mr. *Healy*—continued.

guided by his own opinion, and his own sense of what pleases his palate. Some people like a strongly-flavoured whisky; others prefer a very much milder one.

417. Do you think any man likes to be imposed upon?—It all depends upon whether it is imposition to mix a strongly-flavoured spirit with a pure spirit, to make a blend of it.

418. Take the price of whisky at 3½ *d.* a glass, and if that is composed in one public-house of a whisky that costs, say 4 *s.* a gallon, and if in another public-house you pay the same amount, 3½ *d.* for it, and it is composed of a whisky which costs only 10 *d.* a gallon, is it fair to the consumer that he should have to pay the same amount for the two glasses of whisky?—I think not.

419. That being so, can anything be done; can no suggestion be made by your department to prevent this imposition on the public?—We probably might suggest; but it has not fallen to our duty to interfere in matters of that kind. We do not administer the Sale of Food and Drugs Act, and therefore hitherto we have not interfered in that direction.

420. Now, with your large experience, can you suggest a means by which Parliament could be assisted to a conclusion in preventing a fraud of that kind?—I think that if you oblige retailers to label their bottles with the information that the spirit is sold as a blended spirit, as a mixture of whisky and alcohol, possibly you might to some extent check the practice, or you might have a board put up in the shop with an announcement upon it that "all the spirit sold in this place is composed of German spirit and Scotch whisky, mixed together."

421. If you took a precaution of that kind in the interest of the general retail consumer, do not you think that the moment the retailer would look and see what he was doing, and would not at all be likely to put up in his shop a statement that he was selling blended spirit?—Seeing that the law once obliged them to keep foreign spirits and British spirits in separate rooms, and prohibited the mixing of these spirits under any circumstances before delivering them to the public, and seeing that that law was repealed, I suppose it was then thought that the best way was to let the customer be the judge of the material he was buying. By the Act 6 Geo. 4, c. 80, it was provided that foreign and British spirits should not be mixed together, and that they should be kept in separate rooms.

Chairman.

422. When was that repealed?—It was repealed in 1860 by the 23 & 24 Vict. c. 114.

Mr. *Healy.*

423. That was done when the so-called political economists controlled everything?—I am not aware what was the motive or under what impulse it was done; but what I mean is, that the Legislature thought it was better not to interfere with the trade; so that if we now said, "you must not keep these things in the same room, and you must not mix them together," it appears that we should be going back 30 years.

Mr. *Healy*—continued

424. But Parliament since then has enacted the Trades Marks Act, which enables me no longer to be swindled by getting a German chisel marked "Birmingham"?—Quite so.

425. And in the same sense, it would be reasonable to re-enact prohibitions against mixing German and native spirits?—Yes, I think it would not be unreasonable; but I suppose it was felt to be inoperative because the question is, how you are going to enforce that law at the premises of 100,000 dealers and retailers.

426. All these evils have grown up since then, have they not?—I am not aware.

427. What was the number of gallons of German spirit imported before that date of the repeal of the Act and subsequently; can you give us that?—No, I am sorry I have not that information.

Mr. *Somervell.*

428. You rather view the pure alcohol as a matter of health; but the doctors are in the habit of ordering whisky to their patients?—Quite so.

429. The purest alcohol is that spirit which is rectified for the purpose of making perfume?—I should think it might be stated so; it is a very strong spirit.

430. So that, in your opinion, if a doctor ordered a patient whisky, and that patient liked, we will say, a pure alcohol perfumed with violets or roses or orange flowers, which are perfectly innocuous, and he drank a small quantity of alcohol diluted with water, in that sense he would be carrying out the doctor's orders as a matter of health?—Not so long as the use of the term applies to an article made in the pot still and distilled from grain.

431. Then you do draw a distinction, and you admit that there is on the question of health a difference between whisky and alcohol?—No; if you will excuse me, I draw a distinction between what a doctor orders and what a man chooses to take; I do not determine the question as to whether it is healthful or not.

432 But I mean as affecting the constitution; you admit, you will allow now, that, as affecting the constitution, there is a difference between malt whisky and a pure alcohol such as I have mentioned?—I am not prepared to admit that.

433. In your opinion, and in Sir Algernon West's, pure alcohol is a healthy thing, and evidence is going to be given by Dr. Bell proving the pureness of the alcohol. I want to bring out that it is not a question of alcohol. Either there is a difference, either you must admit that if a doctor orders whisky, there is some difference which possibly may not be discoverable by analysis, which affects the constitution differently from alcohol; or else if you consider that there is no difference, a patient who is ordered to take so much whisky would be carrying out his doctor's orders if he drank the same quantity of alcohol diluted in water, by buying a bottle of white rose scent. Which position do you take up?—I would really prefer not to give an opinion, but if you press me for an opinion, I am bound to say that I consider that strongly flavoured whisky

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Mr. *Somervell*—continued.

whisky is very much improved by blending it with good rectified alcohol.

434. The point I want to get at is this: whether you admit that there is a difference, as affecting the constitution, between pure alcohol and whisky?—I think there might be some difference.

435. Therefore, however pure the alcohol may be (it may be that, chemically, it is a very pure alcohol, but it may be deleterious to health), it is possible that it may have a different effect upon the constitution from that which malt whisky has; do you admit that there may be a difference in regard to the effect on the constitution between the pure alcohol and whisky?—I am bound to say that in my own private judgment a blend of pure alcohol and strongly flavoured whisky would be more wholesome than the strongly flavoured whisky by itself.

436. That is not the point; I want to get the pure alcohol and the pure malt whisky, neither flavoured. Take a pure malt whisky and a pure alcohol; white rose scent I will give you as an example; I ask you whether, taking a certain quantity of proof spirit from a ten years' old pure malt whisky, and the same quantity of proof spirit in white rose scent, you believe that would make any difference to the constitution or not?—Yes, I certainly imagine there would be a difference in the two.

437. In those operations of racking, blending, and bottling, of course sometimes the three operations are performed in bond with the same spirit; the same spirit may be racked and blended, and then bottled, may it not?—No, you can only rack once in warehouse, unless you put it back into the same cask.

438. What I mean is, you may first rack; then you may blend that same spirit in a vat, may you not, in bond?—Yes, on condition that you fill the same cask again.

439. And then, after it is blended, it is very often put into a cask, and allowed to lie a certain time, and then bottled?—Sometimes.

440. So that the same spirit could be treated in all three ways?—Yes, it could in that sense.

441. In regard to the German spirit I think you said that there were 1,720,000 gallons, roughly, that paid duty of German spirit?—Yes.

442. But that does not represent the quantity that is imported annually of German spirit?—The Customs, of course, will give you the information more accurately and with greater certainty than I can; I only wish to guard myself against the statement that that is all German spirit; I believe that a great deal of it is Russian spirit; it is called German spirit, but I do not think that it is a proper thing to say that it is German spirit. I do not know; the Customs know.

443. There is a considerable quantity of what is called German spirit imported?—About 3,000,000; I mean spirit of that character, plain strong spirit, whether German or Russian or Danish I do not know.

444. While you said that quantity paid duty you did not mean to say that that was the whole quantity that was imported?—No, but the whole quantity that paid duty.

Colonel *Hill.*

445. I suppose you are not a chemist?—No.

446. Could you tell me whether it is the opinion of the trade that malt whisky is improved by the addition of German spirit or other silent spirits, I think they are described as; you thought it was; do the trade think so?—I think that some members of the trade, indeed I am quite certain of it, are of opinion that it improves it.

447. And that would be their object in blending?—The majority of the trade entertain a different opinion probably.

448. You do not think that the object of mixing it with this German or silent spirit is rather to cheapen the cost of production?—Undoubtedly you can buy German spirit at a very cheap rate; you can buy foreign plain spirit as low as 6¾*d.* a gallon. But this very coarse kind is methylated, not consumed as beverage.

449. But do you not think that the object is rather to cheapen than to improve?—I should think it is.

450. You said that malt whisky was blended with other whiskies. Now of course if the spirit with which this blending took place was whisky, I presume there could be no particular harm in the blending that takes place in your warehouses; but the question is, is the substance which is mixed with the malt whisky properly called whisky?—When I spoke of blending with other whiskies I intended to convey that the whiskies produced at different distilleries were blended together; that if one whisky is made at Cambeltown, and another at Ben Nevis, you would put those two together and make a blend; that is what I intended to convey. But patent-still spirit is often blended with whisky.

451. Then with regard to the letter "B" which you put on the cask, which means that it has been so blended, does it mean that German spirit has not been mixed with it?—You could not mix German spirit or any other foreign spirit with whisky in bond.

Chairman.

452. You do for exportation only?—British plain spirit may be mixed with foreign plain spirits for exportation, but the casks must be indelibly marked accordingly, so that the foreigners and colonials may know what they are having.

Colonel *Hill.*

453. Then I think I have rather misapprehended the drift of your evidence, for I understood that there was a mixture of whisky with this German spirit?—Not for consumption at home, certainly not in bond. But we cannot say what is done in a publican's cellar.

454. There is no blending in bond with either the foreign spirit or with British-made spirit, that is not whisky?—Not with foreign spirit, but British may be mixed, whether patent or pot-still spirits.

455. I understand you to say that there is no foreign spirit allowed to be mixed with it, and I want to know whether any British spirit is allowed

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Colonel *Hill*—continued.

allowed to be mixed with it?—I mean you cannot mix foreign and British spirits together in a bonded warehouse for home consumption; but British spirits may be blended.

456. Therefore malt whisky would be, if I may use the term, adulterated with the German spirit for home consumption?—Not whilst it is in bond; it might be in the stocks of the dealers.

457. You cannot tell what happens afterwards?—No.

458. But may it be adulterated with home-made spirits which are not whisky?—Certainly. That is whisky and patent-still spirit may be mixed, but I hardly think it would be right to apply the word "adulterated" to such a case.

Chairman.

459. It was given in evidence by you as 6,628,000 gallons of patent still spirits, and that much of that is blended?—Yes.

Colonel *Hill.*

460. Does the "B" you put on the cask meaning blended merely, refer to whiskies of different manufacturers being blended together, or would it indicate that the whisky, which is supposed by most people to be made from malt, has been subject to any blending with silent or other British-made made spirit?—It is very often blended with silent spirit.

461. And you do not think that it is the duty of the Excise to indicate to the public that, what I would call adulteration, has taken place?—It is not their duty at the present time.

462. Do not you think it should be?—I really could not say. Formerly we did it; we put upon our permits the date of first bonding, and stated if the spirit had been made from malt only; but all restrictions of that character have been given up.

463. So that it is no longer made from malt only?—It need not be, so far as the law is concerned.

464. You still call it whisky?—Yes, because whisky is often made from malt and grain mixed together; not all made from malt.

465. Whisky and spirit made from molasses, do you call that whisky too?—There is no legal definition of whisky. I should not call it whisky myself.

466. Then, in your view, whisky is a term which may be applied to a spirit made from molasses?—No, I think that whisky, properly speaking, is made from malt, or malt and grain mixed together, and distilled in a pot still.

467. Then you consider that any spirit which is made of those materials which have been added, spirit made from molasses, for instance, has really lost the right to the term of whisky?—To that extent.

468. Do you not think it should be the duty of the Excise or the State, at all events, to indicate to the purchaser the whisky that has been so mixed. I may possibly prefer spirit made of molasses, but there is no reason why, if I ask for whisky, which you tell me is properly described as made of malt, I should have it mixed with this other compound; do not you think that that ought to be indicated?—Well, it would lead to great restriction and interruption of trade, and lead to an enormous opposition, I am quite sure.

Colonel *Hill*—continued.

469. That is amongst the distillers?—Yes, and merchants; it is a thing of comparatively modern growth, this blending.

470. Do you think that the opposition of distillers is any reason why I should not have my pure whisky?—No, I do not think it is.

471. If it be laid down that whisky is improved by the addition of this stuff made from molasses, that is another matter; but I think it is generally assumed that the spirit from molasses is not so good, not of the same kind, and, as you told us, it is very much cheaper?—I think there is no difficulty in anybody securing for himself pure malt whisky if he wishes to have it; it is very much a matter of price. Any man that seeks for it and wishes for it, can get a fairly pure malt whisky, or whisky made from malt and mixed grain; there is no difficulty in securing that for himself.

472. How, I fail to to see at present; if you allow the malt whisky to be mixed with molasses whisky, how I am to secure getting the malt whisky. Of course I am dependent entirely upon the honesty of the merchant whom I employ for getting that whisky; you do not help me?—Of course you would have to depend upon the integrity of the merchant.

473. So far as you are concerned, you would allow him to put the molasses whisky in, and still call it whisky?—Yes, in the present state of the law.

Mr. *Vernon.*

474. I suppose it is the general opinion that whisky, say, two years in bond, is more wholesome than the new whisky?—That is the general opinion.

475. And I think you informed us that the loss of strength of whisky was 2¼ per cent. the first year?—Yes.

476. And 4 per cent. in the third year, and from 6 to 8 in the fifth year?—It varied very much, of course, according to the condition of the warehouse, and the condition of the cask and other things besides. I merely gave you an estimate from looking at a good many casks.

477. Then it would be rather to the advantage of the retailer, would it not, not to have whisky that has been long bonded?—It would not be so strong if it were long bonded, but it might be much more wholesome.

478. My point is that he would like to get the newer whisky so as to get it stronger?—Yes, as a matter of fact, I know in some districts they would not get anything but the newer whisky.

Mr. *Boord.*

479. Have you any means of knowing what portion of the patent still spirits which you say go into whisky and are blended with whisky, is made from materials other than grain and malt?—We know how much molasses and sugar are used in making spirits.

480. My question is a little different; do you know how much of that part of patent still spirit which is blended with whisky is made from the materials which have been mentioned, molasses and

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Mr. *Boord*—continued.

and sugar, and rice?—We do not know the exact quantities; we could estimate it nearly.

481. You could estimate what quantity of spirit made from molasses and grains, other than malt and barley, goes into whiskey?—About 2¼ million gallons are made from sugar, molasses, and rice.

482. I mean goes into whiskey?—No, we could not tell that.

Chairman.

483. Do you know that any of the spirits made from molasses or rice or any of those other things are used by real whiskey makers; are they used in the distilleries of real whiskey makers?—No, they are not.

Mr. *Boord.*

484. Then do you know that molasses spirit, although not made by the whiskey makers, is yet blended with the whiskey in Scotland or Ireland?—I do not know that as a matter of fact at the present moment.

485. What is your opinion?—I think it is quite probable that some portion of it is blended.

486. Have you any means of finding out whether that is so?—We do not know it without setting ourselves to make special inquiry about it.

487. I understood you to say there were about 6,000,000 gallons annually made by grain distillers; was that in England only?—That is the quantity used in making gin.

488. In England?—No, in the United Kingdom.

489. By grain distillers?—Yes; exclusive of 6,628,284 gallons retailed as whisky.

490. You said that the expense, if they were obliged to keep their output in bond for two years, would be enormous?—Yes; I was referring then to the distillers who make principally for rectification.

491. You have no means of knowing what capital they have invested in their stocks of spirits at all?—The only means we have is by knowing how many gallons they have there, and what the price of the spirit is; we could tell you what the value of their stock is.

492. It would be a very large sum, no doubt?—Yes.

493. But if they were obliged to keep it in bond for two years, they would require 24 times as much capital evidently locked up in their stock?—Certainly.

494. And have you any reason to suppose that any benefit would be derived by the public, in point of health, by their being so obliged to keep it in bond?—I believe that it is utterly useless to do it.

Mr. *M'Ewan.*

495. You say that about 3,000,000 gallons of foreign spirits are imported?—Yes.

496. And out of that, 1,791,000 gallons pass out of bond duty paid?—Yes.

497. Have you any reason to suppose that a large portion of this bonded spirit is used for methylating?—A very large portion.

498. What becomes of the balance of 1,200,000; is that exported?—It might be, possibly; I could not say; the Customs would be able to say better.

Mr. *M'Ewan*—continued.

499. So that in that case, if it is nearly all used for methylating, the impression that is so common that the maddening effects of intoxication are produced by potato spirit must be unfounded?—I think it is greatly exaggerated.

500. And there is a further impression that to use new raw grain spirit produces a maddening effect; would you think that at all likely?—I have seen men for the last 40 years drinking spirits the day it is made, and they did not go mad, and I did not see them intoxicated.

501. It has come out in evidence, and you have testified to the same thing, that these raw grain spirits are much purer than malt spirits?—If made in patent stills at great strength.

502. And that consequently there would be more danger that a maddening effect would be produced by new malt spirits?—I think it would; I do not wish to say that, but I think it is likely to be so.

503. So that a mixture of the two spirits would really be less prejudicial to the public than the selling of the new malt spirit alone?—That is my impression.

504. Did the permits bear upon them "made from malt only," after the duties on grain and malt spirits were equalized?—No.

505. After the equalization of the duties the Excise paid no further attention to that?—Yes; I admit that it is likely that that was put on because of the drawback.

Sir *Edward Harland.*

506. Will you please give a more precise definition of the operation of racking?—If you have a puncheon of spirit, 120 gallons, say, of spirit, and you wish to put it into hogheads, you merely rack it from one vessel into two or three others; that is what we call pure racking not blending.

507. I still do not gather the meaning of the word "racking"; do you mean merely employing or subdividing the quantities into separate casks?—Transferring it from one vessel to another.

508. Merely transferring it?—Yes.

509. You spoke about a certain very strong description of spirit being put into bond for racking; do you imply by that that it was more to the advantage of the distiller that it should be specially strong when he intended, when in bond, to divide it into other casks?—There has been a great deal of racking, very much for the purpose of getting empty casks to grog, that is, to take the spirit out of the wood. If a man bonds spirits for that purpose, if he intends to rack it in order to secure casks for grogging, the stronger the spirit he puts in it, of course, the better for his purpose.

510. With reference to sulphuric ether, of which some information has been given to me about the small proportion being consumed, I think you mentioned that it is allowed to be made out of methylated spirit?—Yes.

511. Then if this sulphuric ether finds its way into consumption, similarly, but perhaps to a smaller extent, with other spirits, in that case the vendor of the sulphuric ether is able to purchase a drinkable spirit upon which no duty has been paid?—Quite so.

512. So that, if by any means, you could pre-

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Sir *Edward Harland*—continued.

vent methylated spirit from finding its way into the manufactories of sulphuric ether, would that duty have the effect of lessening the consumption of sulphuric ether by no doubt increasing the price?—Yes; I think so; it would increase it enormously if you had to use duty-paid spirit.

513. And would you be able, do you think, to so divide the consumption of methylated spirit as to divide it between such as is used, say, for lamps of all kinds, for the general consumer, who might be termed the legitimate consumer of methylated spirits, and on the other hand, the consumer of methylated spirit, in the person of the manufacturer who manufactured it into the shape of sulphuric ether?—It would be a very great interference with trade, if you now deprived the maker of ether of the use of methylated spirit. It is very largely used, as the chemist will tell you, in the arts, as a solvent and for other purposes; and it was thought that it would be a great disadvantage to trade if you deprived them of the use of methylated spirit in making ether.

514. Then do you think that the way to arrive at the stoppage of its consumption would be by a more stringent supervision of those dram shops, for instance, where it is known they offer sulphuric ether over the counter; do you think that that would be the point at which the outlet of it might be detected?—I think it would. We have tried to do it as I have already stated in regard to methylated spirits, but it was objected to by the Pharmaceutical Society.

Mr. *Healy.*

515. Of England or Ireland?—Of England.

Sir *Edward Harland.*

516. Have you heard of such consumption in Ireland of ether?—Yes, nowhere else.

517. Nowhere else than in Ireland?—Nowhere else than in Ireland, and sold by chemists only.

518. I think you referred to the North of Ireland?—Yes, County Tyrone; a little in South Derry.

519. You referred to the blending of British and Foreign spirits in bond provided that it was for foreign consumption?—For exportation only.

520. By what means can you follow a cask which has been so blended when it leaves your hands; how can you prevent its finding its way into home consumption?—The regulations are very strong in removing from bonded warehouses to the ship's side. When the spirits are delivered from a warehouse the Excise officer writes a dispatch which he sends to the Custom's officer at the ship, and also sends a permit with the cask.

521. Practically, at any rate, it must be shipped somewhere?—Yes, it must.

522. It may return again for aught you know?—Yes.

523. It will be charged duty again?—Yes, it will be charged as foreign goods.

Mr. *Jackson.*

524. There is no extra duty?—It would be sent away without duty, but when it came back I suppose that the Customs would charge it as foreign goods.

Sir *Edward Harland.*

525. Is it possible for it to find its way into home consumption?—It is next to impossible. For instance, if not produced to the Custom's officer at the ship, we, who sent it away from our warehouse should be informed that the goods had not been received; then we should immediately go to the proprietor and make him pay the duty.

Mr. *Jackson.*

526. But supposing that a shipment went from Grimsby to Antwerp, and that it is there put into other casks and shipped back again into an English port, there would be no restriction then upon its going into home consumption?—No, certainly not, if it paid the foreign duty.

Sir *Edward Harland.*

527. You have been asked to express your opinion in many ways as to the effect in your opinion on health and so on of raw spirits; I think the general opinion is that there is what is called fusel oil, volatile oil, passed off in the distillation; I am just confining my remarks now to raw whiskey; do you think that in those manufactories where the whiskey is manufactured from certain ingredients, there would be any advantage gained by such whiskey being bonded for, say, a particular time, in order only that this fusel oil should be taken up, say, by the wooden cask, and thus the whiskey in that may be freed from this supposed extremely deleterious ingredient; do you think that that is about the only advantage which would be gained by the coercing into bond of new whiskey?—I think that is the advantage which would be gained. I do not know that that would follow in one year or even in two years, but I believe that maturation takes place, if you keep the spirit for a number of years; I suppose five or six years.

528. Then you would recommend in that case five or six years in bond?—To get a perfect article.

529. Do not you think that such would be a very serious impost upon the whiskey trade?—No, because it is kept now for a longer period than that in many cases. It is really a matter of price.

530. Then if such a stipulation were determined upon, would that, in your opinion, be as far as it would be possible for the law to go to prevent the raw and unwholesome, if not really injurious spirit, finding its way into consumption?—Yes.

531. Then would you, yourself, suggest any difference as between whiskey made by the patent still or the pot still?—I think that the one does not require such long bonding as the other.

532. What difference would you make between them, if any, difference?—I think I have already said that spirit that is rectified after it goes out from the distiller derives no advantage whatever from further keeping.

533. Which spirit is that?—The patent still spirit.

534. Would it be your opinion then that anything in this direction should be limited to the whiskey produced by the pot still and not in any way apply to that produced by the patent still?—I think

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Sir *Edward Harland*—continued.

—I think it would be a very proper arrangement if whiskey was made from pot still only; if you defined whiskey and said what it shall be in the future and said it shall be something made from malt and grain and made in the pot still, when we had something definite to deal with, then I should say that such a spirit would be greatly improved by keeping it in bond.

535. Would you not be satisfied with the stipulation that pot still whiskey, no matter what the material used in the manufacture, should require to be bonded, whilst the patent still whiskey need not; you would not go so far as that?—Well, if I were driven to make a broad rule of that kind as simple as possible, I should say divide these goods into two parts; that is as to what is made in a pot still and is brought off at a low strength and which will contain much more fusel oil than the other, keep it in bond; that which is made in Coffey's patent apparatus, and which is brought off at great strength, and which is comparatively pure and free from fusel oil, I should say keep that a short time, or do not bond it at all.

Mr. *Jackson.*

536. You speak in a general way about the quantity of spirit used for methylating?—Yes.

537. Would you put it that a very large proportion of the quantity made went to methylating?—Yes.

538. Have you any figures on that point?—Yes; 1,791,386 gallons pay duty of this foreign plain spirit; a considerable portion of that quantity is used in methylating.

539. Could you say what that considerable quantity is?—No, I could not say; I should think probably a million gallons, but I wish to guard myself; it is quite an estimate, almost a guess; for the future we shall know exactly.

Colonel *Hill.*

540. Why does it pay duty; why does spirit which is intended to be used in methylation pay duty?—For the future it will not pay duty; it has been so in the past, but the law has been changed this Session, and now all spirits used in making methylated spirit must go to the methylating warehouse under bond and not pay duty. So that we shall in the future know exactly how these accounts stand; at present they pay duty on foreign plain spirit, take it into the rectifiers' stock and there it loses it identity at once; when it gets into the methylating warehouse we know nothing about its being foreign; we have treated it all as British spirit and given a drawback on it at the rate of British spirit.

Mr. *Jackson.*

541. In future you will know the exact quantity?—We shall know the exact quantity.

Mr. *Healy.*

542. Do the Canadian Customs and Inland Revenue Departments communicate with you at all?—The United States Government officials very often communicate with us.

543. Have you seen the Canadian Consolidating Inland Revenue Act of 1885, Section 9?—No, I have not.

544. It provides that "After the first day of July 1887 no spirits subject to Excise shall be entered for consumption which have not been manufactured for at last 12 months, and after the first day of July 1890 no such spirits shall be entered for consumption which have not been manufactured for at least two years;" so that you see in Canada they have provided that spirits shall be made for at least two years before being consumed?—Well, I notice in the United States Pharmacopœia, in describing whiskey, it states that whiskey is a spirit distilled from malt and grain, that it should be free from objectionable odour, and should be at least two years old; I believe that is stated.

Chairman.

545. Is that the definition of "spirit" given there in that Act?—In the United States Pharmacopœia.

546. This section just read speaks of simple "spirits," and subjects everything, both pot still and patent still spirits, to this limitation?—Yes.

547. Your department was not consulted about that?—I am not aware that it was.

Mr. *Healy.*

548. Would you have any objection in your department to look through these Canadian Acts, and tell us what your views upon them are?—I will give you a memorandum afterwards.

Mr. *Somervell.*

549. Would there be any difficulty, if it was thought advisable to recommend that whiskey for consumption should be kept in bond a certain time, in permitting spirits for rectification to come out of bond at once?—The only difficulty is securing that it shall be used for the purpose for which it is delivered from the warehouse. I think if you were to say that spirits for rectification should be excused, should be excepted from the operation of such a law, it would be necessary then to require a rectifier to keep such spirits in a separate apartment, and for the officer from time to time to satisfy himself that the whole of that spirit had been rectified.

550. But there would be no practical difficulty about it?—No insuperable difficulty; it would be a restriction upon the rectifier he would not like, and would give some trouble to the officials.

551. But there would be nothing insuperable in it?—I do not think anything insuperable.

552. It would be feasible?—I think it might be done.

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Mr. HERBERT MURRAY, called in; and Examined.

Chairman.

553. YOU are Chairman of the Customs, are you not?—Yes.

554. You have been in the Customs for a considerable time?—For the last seven or eight years.

555. Can you give us the quantity of bond spirits imported of each kind, and the country of origin?—Yes, I have had it prepared for the last 20 years, showing each kind of spirit and the quantity imported from each country, but I daresay the Committee would only wish to hear what was imported last year of each kind.

556. If you will kindly give it to us?—I will put this return in afterwards. The quantity of brandy imported was 2,858,774 gallons.

Mr. *Jackson.*

557. You said the quantity imported from each country?—Yes.

558. Does that figure mean brandy coming from one country?—From several countries; this is the total importation from all the countries. Then the quantity of rum imported in the same year was 4,087,089 gallons; the quantity of Geneva was 304,493 gallons; the quantity of spirits unenumerated, not sweetened (in other words, German spirit, as we call it), was 3,199,470; and the quantity of spirits unenumerated, sweetened, &c., was 128·83 gallons.

559. Does that total up to a quantity?—I have the quantity here. The total quantity so imported was 10,578,729 gallons.

Chairman.

560. Looking at your figures there, has there not been a decrease in the quantities of brandy and rum imported?—Yes, there has been a large decrease in both. For instance, in the year 1870 the quantity of brandy imported was 7,942,965 gallons against 2,858,774 gallons last year.

561. And in the case of rum?—In 1876, which was the highest year, there were imported 10,395,335 gallons, against 4,087,109 gallons last year.

562. Is there not some mistake in the supposition that the increase in the spirit duties last year was due to an enormously increased consumption of rum. It was stated in the House of Commons that the increase in the spirit duties last year was owing to a largely increased consumption of rum by the population?—The consumption of rum very largely increased last year as compared with the year before.

563. Would you give us the figure?—The increase in the duty from rum in the year ending 32st March 1890, as compared with the year ending 31st March 1889, was 237,074 *l.*

564. But upon the whole it has decreased?—As compared with 1876 the quantity imported has decreased very largely.

Sir *Henry Roscoe.*

565. The imports have decreased?—The imports have decreased.

566. But the consumption has increased?—The consumption last year of rum increased largely as compared with the year before; but as compared with year the 1876, it has decreased very largely.

Chairman.

567. Can you tell us the exports of foreign spirits?—Yes.

568. And of British spirits too?—Yes; the quantity of British spirits exported to 1889 was 3,489,720 gallons; the quantity of foreign spirits exported in the same year was 1,721,947 gallons. In giving these figures I have had to make an estimate, in the case of British and foreign spirits mixed in bond for exportation, as to the proportions of each used in the operations.

Mr. *M'Ewan.*

569. That was of all kinds?—Of all kinds.

Chairman.

570. I will not go more into detail of statistics as Mr. Williams is going to give us a good deal about that; but treating in a general way in regard to keeping spirits in bond (I am speaking of foreign spirits) for one year or more, how are the Customs interested in that?—Well, we have not much interest in it I think, except as regards any increase in the accommodation for bonding spirits which may be required. I hardly agree with the the opinion Mr. Molyneux expressed. I think, as regards London, he is right, we should not want any more space; but at the outports, though we should not to any great extent, still we should want, I think, more accommodation than we now have.

571. Now, as to brandies which come from abroad, are they not already of considerable age?—Those which come in bottle are so; that which comes in cask is not so, I understand.

572. Is new?—Is new; and that is chiefly made from a mixture of the German spirit; but what is imported in bottle has been usually kept several years in France before it is sent over here.

573. You would require a certificate of origin, supposing it were determined to keep it in bond, to know how old the brandy was that came in; you could not desire to keep in English warehouses for two or three years brandy that was already six or seven years old?—I do not know how we should be able to deal with a certificate of origin in that case, because the mixture is made up of German spirit sent into France, and whatever the brandy concoction may be mixed with it, we could hardly get a certificate of origin for that.

574. They could not give you a certificate that these were old spirits?—No, they could not.

575. As to what is called German spirit, little of it comes from Germany now?—The understanding now is that most of it comes from Russia. The direct export from Russia, from the Black Sea Ports, is between 300,000 and 400,000 gallons only; but it is believed now that most of the spirit which is imported from the German ports, really is brought over land from Russia first.

576. And

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Chairman—continued.

576. And comes by Hamburg?—And comes by Hamburg; that is the last information we have got.

577. What would he the effect of a law compelling German and Russian spirit to be warehoused for one or more years?—I think the impression I have formed is that it would not be able to stand the cost of the warehousing, and that the trade would really die out.

578. And that it would be a means of stopping the importation?—Checking the importation very largely, I should think.

579. Would that have a sensible effect upon the Customs Revenue?—Yes, we should lose revenue; but the Inland Revenue would, upon the other hand, gain, because the change would be in favour of British spirits, assuming that the same consumption went on.

580. Would there be an increased charge for superintendence in case of enlarged warehouses or an increased number of warehouses?—There would be an increase, because the more you scatter the officers the more the charge is to the public.

581. Is there not a considerable quantity of rum coming from Hamburg which is of a different character from the colouial rum?—Yes; there is a considerable quantity that comes now during the last year and a-half; I might say more during the last eight months.

582. Does that rum come as rum or is it included under spirits of another sort?—It is entered as rum.

583. Is it the impression that a great deal of that consists of spirit treated with aromatic ether so as to give it with some little taste of rum?—I believe that some is imported which is a chemical compound; how it is made I cannot say, but I understand that the largest quantity which is brought over is a mixture of German spirit with rum, either made in Hamburg or rum imported into Hamburg.

584. Would the quality of the article under your present law be considered by the Customs in dutiable goods?—No; we cannot go into quality.

585. But could you not under new regulations; at present you cannot?—I do not think any regulations could be formed which would enable our officers to be judges of quality, because if you go into quality of rum, or any dutiable goods, you must go into the quality of free goods, too. The people who make use of them have just the same claim to have the quality declared by the Customs officers as those who make use of dutiable goods.

586. What you have to look at is the alcohol beverage?—That is what we have to look at, revenue.

Colonel *Hill.*

587. You say that a quantity of rum is imported from Hamburgh and that it is increasing?—It varies very much; I can give you the quantities for some time back.

588. It is an increasing quantity?—I will not say that it is; it has fallen off again lately; it increased very much towards the end of last year, but it has hardly kept pace during this year with the increase of last year.

589. But as regards former years, during the last year and a-half, I understood you to say there had been a considerable increase, and especially during the last eight months?—Yes.

590. And now it is falling off again?—It is inclined to fall off, not increasing.

591. And you say that rum is made of German spirit mixed either with rum made in Hamburg or imported rum; but is rum made in Hamburg?—We believe it to be so; the rum imported from Hamburg I am informed consists of certain proportions of German spirit and *bonâ fide* rum.

592. I understood you to say that it was German spirit mixed with rum, and that either the rum with which it was mixed was made in Hamburg or imported?—There is a large quantity of molasses imported into Hamburg for the purpose, probably, of making this rum; and therefore, though it is not colonial rum, it is rum made from sugar, and that is mixed with German spirit. Besides that, some rum is imported from Hamburg which is a purely chemical compound.

593. That you know?—That we believe.

594. Is it the duty of the Custom House to protect the British public from having a compound forced upon it, called rum, but which is not rum?—No, we do not consider it to be our duty; we do not administer the Adulteration Acts except as regards tea.

595. You think it is right that the sanction of Her Majesty's Customs should be given to a wrong nomenclature?—We do not sanction it; we pass it.

596. I understood you to say that what was called rum and is not rum is imported?—It is entered by the merchant as rum, and we accept his entry.

597. Though you know that it is not correct?—We have reason to believe that it is not absolutely correct, but it approximates towards the truth.

598. Still you do not think it is at all the duty of the Customs to indicate to the public that it is not rum?—No.

599. Of course the real rum is only made in a cane sugar-producing country?—Yes; I may say we have had representations from the trade on this matter, and in order to meet their views we proposed to the Treasury that the mode of entry should be altered to this extent: that rum should be entered as from ports in countries in which the sugar cane was produced, or as from ports in countries in which the sugar cane was not produced; any rum which was entered under the last description could not, under our regulations, be blended with rum which came from ports in countries where the sugar cane was grown; and that would meet the complaints of the trade who say that we ought not to allow the two kinds to be blended. We propose that the law should be altered to that extent to meet their views.

600. If that were carried out, if I purchased rum out of a bonded warehouse, I should know whether I was getting a Hamburg rum or a Jamaica rum?—Yes, you would; at least a colonial rum; it might be Demerara.

601. Sugar produced rum?—Yes, sugar produced rum.

602. Then I think you said there was a great deal of brandy which was imported from France and mixed with German spirit?—Yes.

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Colonel *Hill*—continued.

603. You have no means of knowing that?—No means of knowing it to a certainty; it is believed that most of the brandy imported in casks is so made.

604. In that respect brandy differs from rum, because you do know that rum ought to be obtained from a sugar-growing country; whereas if the brandy comes from France you do not know the difference?—No.

Mr. *Somervell.*

605. Is there any trade in the export of rum to Hamburg from this country; have you been told, or do you know, that there is?—Rum is exported from this country to Hamburg.

606. That pure rum is imported into this country, and then exported to Hamburg, and mixed with German spirit, and re-imported?—Some of it may come back in that shape.

607. You have no figures as to that?—I have no figures. I could get them for the Committee. I find that in 1889 285,000 gallons of rum were exported from the United Kingdom to Germany.

608. Do the same operations go on in the Customs as in the Excise, that is, blending in bond?—Yes.

609. Rum is blended in bond?—Yes.

610. Is none of it blended with German spirit in this country in bond?—No.

611. It must be blended with something that is the same article; it must be called rum?—You could not blend a foreign spirit with rum.

Chairman

612. It would be two kinds of rum blended together; you would not blend rum with brandy and call it rum?—No.

Mr. *Somervell.*

613. Hamburgh rum and sugar rum can be blended together in bond?—They are blended in bond now.

614. So that you believe that it is not a proper rum; the two articles blended must have the name of rum?—Yes, they are both entered as rum, and they both can be blended as rum.

615. Anything entered as rum can be blended with rum?—Yes.

616. Did you express no opinion, having regard to the effect on health, of these mixtures?—I am not a medical man; I would rather not give an opinion.

617. As to whether it was deleterious?—I could not give an opinion.

618. In regard to whisky, I suppose you would give the same answer?—I give the same answer.

619. As to that rum which you said was a chemical compound imported, did you mean that that was a German spirit artificially flavoured to taste like rum; not mixed with the rum manufactured in Hamburgh?—It is a spirit, a compound, in which there is not an atom of rum, I am told.

620. Artificially made?—Artificially made.

621. You are not aware whether these different qualities of rum could be obtained by analysis?—It is very difficult; you will have chemical evidence on that point, but it is very difficult indeed to ascertain it.

Colonel *Hill.*

622. Supposing that this suggestion of the Custom House were adopted as to calling rum from the cane sugar countries, and rum from Hamburgh, by their respective designations, would it still be possible to blend those two rums together in the Customs, and allow the mixture to retain the name of rum?—No; they could not be blended at all, not in bond. Of course, what takes place after they leave bond we are not responsible for; we could not stop that.

623. But the two could not be blended in bond?—No.

Mr. *Somervell.*

624. Could you give me the importation of German spirit in 1870; that was the year you gave us with regard to the brandy?—The importation of German spirits in 1870 was 2,022,042 gallons.

Mr. *Healy.*

625. Can you give me the importation the year before the Act of George IV. was repealed?—The Act of George IV. was repealed, as stated by Mr. Molyneux, in 1860. At that date the importation from Russia direct of what is called German spirit was comparatively small, most of it coming from German ports, and most of it probably being German produce. In 1858 the importation of this spirit was 981,690 gallons. In 1859 the importation of this spirit was 1,102,761 gallons, and it may be said that practically none of it went into home consumption. In 1860 the importation was 1,005,674 gallons, of which 39,802 gallons went into home consumption. In 1861 the importation fell to 347,038 gallons, of which 7,636 gallons went into home consumption. In 1862 the importation fell to 207,469 gallons, of which, however, 39,847 went into the home market.

Mr. *Somervell.*

626. In 1880 what was it?—It was very low, 577,383 gallons.

627. And it has steadily risen since that date?—It has steadily risen since that date; that was the lowest, but in 1875 it was 2,795,378, which was very near what came in last year.

628. You gave us the 3,200,000 that was imported of German spirits?—That was imported last year.

629. And what became of that; did it all pay duty? you have not traced in any way how it was disposed of?—I am not sure whether any of it was exported or not; I have not followed it.

630. And you have not followed in what way it was disposed of?—I find that the 3,199,470 gallons imported were disposed of, as follows:—

	Gallons.
Duty paid, and probably consumed as drink	1,732,571
Methylated	1,023,157
Exported, and ship's stores	104,085
Operated on in bond, presumably also for exportation	305,102
Increase of stock in warehouses	34,555
	3,199,470

631. The whole exports were a million and a-half, roughly?——

632. This

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Mr. *Jackson.*

632. This is the export of foreign spirits?—Yes; my notion is that that which was not methylated went into home consumption as drink.

Mr. *Somervell.*

633. It was, roughly, 2,000,000?—2,174,000.

Mr. *Healy.*

634. What was the name of the gentleman who gave evidence from your department before the Merchandise Marks Act Committee on the question of rum?—Mr. Sentance; he is in the room now.

635. It was he who informed the Merchandise Marks Act Committee that rum was being imported into this country from Hamburg, and perhaps 99 per cent. of it was not rum at all?—I do not think he said so; I think one of the members of the Committee asked whether there was not some imported of that character, but I do not think Mr. Sentance assented to that; but I could not be sure; he will speak for himself.

636. I gather that you think that nothing ought to be done to protect our colonies against this German trade?—I said nothing, I think, about our colonies.

637. You think that the colonies ought to be protected from this imposition?—I am not speaking of the colonies.

638. I am speaking of the East Indian or West Indian colonies which produce the rum?—I was speaking not of protection to the colonies, but of protection to the British consumers.

639. You think that ought to be done in the way you mentioned just now, by rum being entered as from countries in which the sugar-cane was produced, or as from countries in which it was not produced?—I should be inclined to do that.

640. But then you have not insisted on the Merchandise Marks Act being applied?—We have no power to apply the Merchandise Marks Act to run, as that Act now stands. It cannot affect this rum.

641. Why?—Because there is no mark applied to the casks; the mark must be on the article, upon the cask itself; you must have "rum" marked upon the cask to bring it under the Merchandise Marks Act, and there is

Mr. *Healy*—continued.

no such mark on the cask. The entry is merely the entry by the merchant, a different thing altogether.

642. And that is where the Act fails?—That is where the Act fails; as the Act stands now, I believe this German rum cannot be touched.

Mr. *Somervell.*

643. What is the fault of the Act?—I am told, as far as the present Act goes, that it is arguable, whether it could be made to apply to this rum imported from Hamburg, but that the decision would be in the negative.

Mr. *Healy.*

644. Have you stated a case on the point?—No.

645. Do you not think it is advisable?—The advice that we have had from our solicitor is, that it is not applicable.

646. This point has been raised by the Merchandise Marks Committee?—Yes: but our solicitor was not examined before that Committee.

647. You were, I presume?—I was; but I am not an authority upon the Merchandise Marks Act.

648. Can you give us the references to your examination upon the Merchandise Marks Act?—How do you mean, may I ask?

649. On anything referring to alcohol, can you give us the number of the Questions?—Yes, I would refer you to Questions numbered 1786, 1870, and 1872.

650. And also that of any of your Department; so far as this Committee touches any question that you gave evidence on before the Merchandise Marks Committee?—I should rather, on the question of the Merchandise Marks Act as applicable in the case of rum, that you should hear what the deputy chairman has to say, because he has specially had the working of that Act.

651. Is he in the room?—No, he is not. I did not know that the Merchandise Marks Act would be raised to day.

652. I presume we shall have from your chemist the composition of this German and Russian spirit?—Certainly.

Mr. D. P. WILLIAMS, called in; and Examined.

Chairman.

653. YOU are at present Collector and Surveyor, in Dundee?—Yes.

654. How many years' experience have you had as an officer of the Customs Department?—Nearly 28.

655. You heard the evidence given by Mr. Murray as to the different kind of spirit imported into this country; do you generally agree with him?—I generally agree with him.

656. Have you any observation to make as regards the operation of the Merchandise Marks Act on the evidence given?—We enforce the Merchandise Marks Act as much as possible; that is to say, we do not allow anything purporting to come from one country to come from

Chairman—continued.

another. I think we should not allow Port wine, so described, to come from Hamburg, for instance, or Sherry from Hamburg; we should not allow Cognac brandy, so described, to come from Hamburg.

657. What would you do to prevent it?—We should seize it at once. We would allow brandy to come from Hamburg but not Cognac brandy; we would allow white wine to come from Hamburg but not Sherry; we would allow red wine to come from Hamburg but not Port. We would only allow those things to come which could not be supposed to belong to another country.

658. Which were not falsely described?—Yes, which were properly described.

659. Then with regard to rum?—Rum is

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Chairman—continued.

exactly the same thing. There is a rum of commerce well-known as Hamburg rum, and we allow that to come from Hamburg as rum.

660. But not as Jamaica rum?—No, certainly not; we should stop it at once.

661. What do you mean by stopping it?—We should seize it.

662. You would confiscate it?—Confiscate it, or what is usually done is this: we seize it for the moment, and the matter is laid before the Board of Customs, and the merchant is allowed to offer any explanation he may have; and occasionally he may be able to make such an explanation as may satisfy the Board, and they will allow it to be exported or something of that kind.

663. But you try to get a true account of the spirits that are imported?—Certainly.

664. Have you any information to give about the qualities of the different spirits and their destination?—Yes. We might commence with rum I think. Genuine rum, the old rum, what is generally understood by rum, comes from a cane sugar-producing country, and it is imported into this country fairly new about four months after it is made.

665. And that is what you try to call genuine rum?—That is what really they called rum; when the name was probably first made it was rum.

666. And what other kinds of rum come into the market?—Hamburg rum which is probably made from a mixture of Hamburg spirit and pure rum, or rum made in Hamburg from molasses, or perhaps essential oil of rum added to spirit.

667. Do you follow these spirits when they come in, do you know what their destination is?—We know what goes for home consumption

668. How much?—The total quantity of rum imported last year was 4,087,109 gallons, and there was duty paid during that year on 4,059,958 gallons. It does not follow, however, that the rum imported during that year was the rum on which duty had been paid, because it might wholly or partially have been imported the year before.

669. Then that upon which duty was not paid, what was that?—That might be remaining in bond or exported. I could give you the figure from each country if you like, the importations from each country.

670. Could you hand it in?—Yes. But what I really wanted to call attention to was this: that only 278,000 gallons were imported from Germany, whereas from the West Indies and British Guiana we got 3,000,000 gallons. In fact the total from foreign countries was only 465,000 gallons, whereas the total from our own colonies was 3,621,000 gallons.

671. Can you tell us about what are called the German plain spirits, and their qualities and destination?—The German plain spirit varies very greatly. Some German plain spirit is the most beautiful clean silent spirit, very useful for many purposes, very useful for instance for making perfume, and I should say very useful indeed for making gin, and any process where a nice clean spirit was wanted. On the other hand there are very cheap qualities of spirit which, after importation, are almost invariably methylated.

672. Do you know that, as a fact, the impure German spirits are used chiefly for methylation?—Yes; I know that as a fact.

673. And that little of its goes into drinking?—Very little of the impure spirit, I should say.

Mr. *Jackson.*

674. That is before methylation?—Before methylation, of course.

Chairman.

675. With regard to the German plain spirits, it is cheap?—German plain spirits can be bought from about 6½ *d.* to 11 *d.* a gallon.

676. Is there not a 4 *d.* differential duty now?—There is a 4 *d.* differential duty.

677. Suppose you take an average of 9 *d.*, 9 *d.* plus 4 *d.* would be 1 *s.* 1 *d.*; what is the price of British plain spirit?—British plain spirit can be bought from 1 *s.* 0½ *d.* to 1 *s.* 1 *d.*, patent plain spirit; I do not think it can be bought at 1 *s.*; I have had it calculated very nicely.

678. If that is the case the price of German plain spirit in this country and the price of British are very nearly the same?—Very nearly the same, only that German spirit at that price, I should say, is the better of the two. I want it to be fairly understood that I do not speak as a chemist, only from practical knowledge.

679. But is there not some disadvantage to the English spirits in the amount of customs paid by the German spirits; are you sure that you charge the full amount of alchohol in the German spirits?—We charge the full amount of alchohol, certainly. You think we are defective in our mode of measuring?

680. I am asking the question?—That is just possible, to the extent of a few gallons, but it is not a very tangible amount; however, we are going to meet that; we have decided now to adopt exactly the same method adopted by the Excise, which is much more accurate.

681. Hitherto you have gone by measurement a great deal?—By gauging; gauging is an approximation; that is to say, a person who gauges uses his experience and makes allowances from his head; whereas if you weigh a spirit you take the weight of it like the weight of a pound of sugar.

682. In future you are going to weigh?—Yes, or measure.

683. And that brings your plan and the Excise plan to uniformity?—Exactly the same.

684. In passing, do you happen to know how it is that the German spirits are supposed to be purer than the English spirits?—I believe that a potato spirit will give off fusel oil more readily than any other known spirit at the present time. It is steeped in charcoal; that takes out the fusel oil and makes it come out very clean.

685. And the Germans use charcoal to absorb the fusel oil before distillation?—Yes.

686. Have not your department been gathering information upon the different kinds of spirit, directing to their attention those containing fusel oil and those free from fusel oil?—I believe they have; and that will be spoken to by our analyst, who has analysed them.

687. Do you think that German spirit is used to any considerable extent in diluting whisky?—No.

688. Why?—

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Chairman—continued.

688. Why?—For instance, we deal with three-quarters of a million gallons of whisky in Dundee yearly, and there is not an atom of German spirit that comes to the place; not one gallon since I have been there a year and a-half.

689. Do not you think that the dealers might possibly get the German spirits and mix the two without you knowing anything about it?—I do not think it would pay them.

690. And, therefore, you think it is a delusion that German spirit is largely used for blending with or for diluting whiskies?—Certainly.

691. Then is it British spirits that are used?—British spirits are used; they use the patent still whisky.

692. What do the German spirits go with; what uses are they applied to?—I have a return here. The quantity imported was something over 3,000,000 gallons, 3,199,470 gallons; and of that there was duty paid 1,732,571 gallons. Now, part of that duty paid was methylated, and a drawback got on it; and I have a very careful estimate from one of the largest dealers in German spirit, and he thinks that about a million gallons of German spirit went in the shape of beverage.

Sir *Henry Roscoe.*

693. What class of beverage?—He and I thought gin chiefly.

Chairman.

694. Went into the manufacture of gin?—Gin chiefly, and, in a very much smaller proportion, the manufacture of whisky.

695. Then you think it is the British patent still spirits that are used for blending, and not German spirits in whiskies in this country?—Certainly, since that spirit has become so cheap.

696. It has been proposed by some persons that a purity standard should be applied to all spirits, so that if they were not pure up to that standard they should be kept in bond; what is your opinion about that?—My opinion is this, that you may apply a purity standard at the wrong time; for instance, if you take a very good whisky and apply a purity standard to it, you would find it impure; but if you took the same whisky six or seven years afterwards it would be perfectly pure.

697. Would not that be an argument for bonding?—It might be an argument for bonding, but not an argument for attacking the impurity. The time for attacking the impurity is when it goes into consumption, in the same way that you attack any other commodity, bread, or cheese, or butter, whatever it may be.

698. Your belief would be that the purity standard, if applied, should be applied when it goes out of bond?—When it goes out of bond.

699. Not when it goes into bond?—Not when it goes into bond, certainly not.

700. How would that apply to patent-still spirit?—There is not any impurity in patent-still spirit.

701. Or very little?—I mean it would never come under the description of what ought to be stopped.

Mr. *Jackson.*

702. Does the same remark apply to what is called German spirit?—Certainly, in a greater degree.

Chairman.

703. Do you see any difficulty in applying the Food and Drugs Act to the spirits after they have gone out of bond?—Not a bit; it is applied now.

704. How?—With regard to dilution.

705. With regard to being not less than 25 per cent.?—Yes.

706. But from your knowledge of the subject, could you follow into the retail market spirit and say that that spirit is a German spirit or that spirit is a British spirit?—No.

707. You could not identify it?—No; you could merely say that that spirit offered in this establishment is not pure, and the disposer of it would be liable to prosecution.

708. At present you do not follow it?—No; we have nothing to do with it; it is for the local authority.

Colonel *Hill.*

709. I think you said that you would sieze Port, Sherry, or Cognac brandy coming from Hamburg?—Yes, because the names imply country of origin.

710. But that you would allow brandy or white wine, or red wine, and what you call the rum of commerce?—Yes.

711. Now in order to prevent its being siezed would you require it to be entered as the rum of commerce?—No merely rum. Hamburg rum is well known as a rum of commerce.

712. It is well known not to be rum, I suppose?—Yes; so is British brandy well known not to be brandy.

713. You allow that it comes from Hamburg as rum?—Yes, as rum.

714. Although you said further on that some of it actually contained no rum at all, but was simply spirits flavoured with essential oil?—With essential oil of rum.

715. And that you conceive to be a correct description when it is described as rum?—Yes, certainly, according to the practice of the trade.

716. Take that rum, or rather a fluid, we will call it, which comes from Hamburg, which is known not to be a rum-producing place, and which in some instances is known to have the merest flavour of the essential oil of rum; do you not think that that comes under a wrong description under the Trade Marks Act?—I think there should decidedly be an alteration.

717. Do you not think it comes within a fradulent description under the Trade Marks Act?—No; this has been a custom of the trade for the last 20 years. We speak, for instance, of British brandy and Eau de Cologne; there is as much Eau de Cologne made in England as there is in Cologne. There is plenty of Scotch tweed made in the west of England.

718. You told us, you know, that rum made from the sugar cane is imported four months old from the colonies?—Yes.

719. You know that this fluid which comes from Hamburg is not rum; you know it has in

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Colonel *Hill*—continued.

some cases not even got any rum, but is simply flavoured with a little of the essential oil in it; do you not consider that a distinctly fraudulent description; that the rum does come under a wrong designation?—Thre are many things sold under the name of a generic article, which are not that particular article.

720. Do you consider rum to be a generic term?—Yes, certainly, I should say that by usage it has become a generic term.

721. Notwithstanding the fact that it cannot be made anywhere except in the West Indies or a cane sugar country?—I cannot say that. A pure rum may be made in Hamburg; that is the difficulty. A pure rum is made in Hamburg undoubtedly; they import large quantities of molasses for that every purpose.

722. You have statistics as to the amount?—I was speaking a day or two ago to a large West India merchant, and he told me that quantities of cane molasses were shipped to Hamburg for the purpose of making rum.

723. Is it a fact, as stated by Mr. Murray, the former witness, that the importation of this so-called rum has been on the increase of late years?—It is not a very big one now; I dare-say it has been slightly on the increase, but it is not a very big item even at the present time, only 278,000 gallons last year.

724. It has been increasing very much for the last year and a half, I think he said?—No, I think he said that the Russian spirit and the German spirit were increasing very considerably, and large quantities of rough Russian spirit come, what is made from the refuse of beetroot.

725. A considerable quantity of rum, he told us, came from Hamburg in the last year and a half, and it has very much increased in the last eight months; that is the note I have of the evidence; you do not agree with that?—I have no statistics to show that, but it is quite possible that he was right; the whole of it was only 278,000 gallons last year.

726. And you are distinctly of opinion that Hamburg rum, or rum coming from Hamburg, does not come under the heading of fraudulent description in the Trade Marks Act?—I am distinctly of opinion, however, that it should be stopped. Do not misunderstand me.

727. But you think there is no present legal means of doing it?—Yes, I think we have.

728. Would you mind stating what they are?—Mr. Murray pointed it out. The matter has been under consideration for some time. I think the authorities have devised or suggested a very excellent method of dealing with Hamburg rum, and the proposal is this: Rum comes under a generic name now in the import list. Rum is rum wherever it comes from. We propose that for the future there should be two classes of rum. A. Class will be rum imported from ports in sugar-cane producing countries, and the other Class would be imitation rum from ports in countries in which the sugar-cane is not produced, with provision for verification by documents of any rum which, having been produced in sugar-cane producing countries, has found its way into this country through Hamburg.

729. You think you have the power to do that already?—Yes, I think we have as the law stands, with the sanction of the Treasury.

Colonel *Hill*—continued.

Mr. *Healy*.

730. Rum is an article made from molasses?—Rum is an article made from molasses.

731. Mr. Molyneux told us that the distillers used 211,464 cwt. of molaases for the making of whisky?—Yes.

732. What would you call the product thus produced?—That probably would be a neutral spirit, a silent spirit.

733. You put us in some difficulty; you tell us that anything made from molasses is rum?—No, I beg pardon; I said rum was made from molasses, I did not say anything made from molasses was rum.

734. How does your department propose to deal with this matter, as you do propose to deal with this rum question; how do you propose to deal with the question of a spirit manufactured from molasses which is neither rum nor anything else?—That is exactly the definition of it, that it is neither rum nor anything else; it is a silent spirit, like the German spirit.

735. As I understand, your department, in the interest of the West Indian colonies, is going to make some effort to stop the rum fraud; what is your department going to do in the interest of the home consumer?—The Excise department will deal with that. I have no idea what they may propose, but it is a totally different question. We have defined what rum is; you must define what whisky is. If you are going to define that whisky only means malt spirit, it is very easily dealt with.

736. Therefore, I take it, that if it is reasonable for the protection of the West India maker to define rum as an article made from molasses, it will be equally reasonable for the protection of the native manufacturers to define what is whisky?—In a certain sense it would, but I am afraid you would kill a very large industry if you did.

737. You mean that if people knew what they were drinking, they would not buy it?—I think they would buy it.

738. How would you kill the industry; "a rose by any other name would smell as sweet"?—A rose by any other name does not smell as sweet, as applied to spirits.

739. You do not think it does?—No, certainly not.

740. You think, if they knew that they were getting it from molasses under the name of whisky, they would not buy it?—I do not know that.

741. Then how is it going to kill the industry?—I think I heard Mr. Molyneaux say that a great proportion of whisky at present made was patent still whisky.

742. I am not now on the question of the utensil by which the article is manufactured; I am on the ingredient from which it is manufactured?—Broadly, it is this: you have two whiskies, one whisky, which is fit for drinking at once, and another whisky not so palatable, but which becomes a very much finer article by keeping.

743. My question has not apparently found its way

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Mr. *Healy*—continued.

way to your mind; you stated that it would kill a large manufacture, a very large industry, I think, was the phrase you used?—If you prevented that spirit, whatever you call it, from being consumed.

744. I do not say that for a moment; nobody suggests that for a moment; that is your view; it would not kill a very large industry if you compel the public to smell a rose under a different name?—I do not think that it would make a very great difference if you said, "The only thing that you shall sell as whisky is malt whisky, and you must sell the other article under some other name," but I am not prepared to say that whisky is only malt whisky.

745. Before 1832 what was whisky?—Probably malt.

746. Before Coffey's still was invented what was whisky?—But then that argument applies to a great number of articles, you know.

747. And because Parliament was not alert enough when the fraud commenced, the fraud is to go on; is that the view?—My view is this: that you have two spirits, one called the malt whisky; there is another whisky made from raw grain, and the two are totally different articles, if you like, but both are whisky; and that they are both serving a very useful purpose, because you are able to produce, by an admixture of the two, an article which meets the taste of a great number of people; and I do not know that it hurts them very much, and you are also able to produce from malt a very much finer article, which meets the taste of luxurious people.

748. The jury is the public?—And the public will always go after the best whisky.

749. The jury are entitled to find a verdict by the evidence, and the evidence before the public is that they are drinking whisky; are they not entitled to know what they are drinking?—We do not deliver it from bond, you know, as whisky.

750. You do not?—No; we deliver it as plain spirit.

751. You take everything, and treat it as plain British spirits, I think the phrase is?—Yes.

752. And by giving it a neutral name of that kind, the dealer can afterwards affix any name he pleases?—Yes; and so he could, whatever you might do.

753. Supposing that your casks were marked in a different way, would that do what is wanted, supposing there was the permit system?—Supposing we marked one cask "whisky," and the other "plain spirit"——

754. And accompanied them by permits?—Then, immediately they got them home they would blend them the same as whisky is now.

755. And you think it is impossible to prevent that?—Quite impossible; no one could tell how much of it was whisky, or whether it was blended or otherwise.

756. You would have provided up to the last line of entrenchment, that is to say the public-house?—Yes; but you would have inflicted a great hardship upon the trade in the ports and given no protection to the public.

757. You think it is a hardship to compel the trade to tell the truth?—No, but to compel the trade to deliver the goods out of bond with a higher duty; whereas if you allowed them to do

Mr. *Healy*—continued.

the operation in bond, all the allowances for loss are recovered; the great reason why blending is done in bond is that the loss is not paid duty on, it goes free. What I mean is this: that supposing we stopped it in bond I think the same thing would occur out of bond; only it would make whisky more dear to the public.

758. If the public are willing to pay for it why should the department wink at it?—There can be no possible objection on the part of the department if it is thought advisable. I am only offering my opinion for what it is worth.

759. Do you think it is reasonable from the point of view of the department that a whisky which can be produced for 1 *s.* 0½ *d.*, that is to say, the patent still whisky; and a good malt whisky, would be how much?—A pot-still whisky is worth from 2 *s.* to 3 *s.*

760. And you think it reasonable on the part of the department to connive at or to allow an operation by which these two should be mixed?—Certainly, I will show you why. You take a pot-still whisky which is undrinkable at a year old, and you allow it to be mixed to make it drinkable with a 10-year old pot-still whisky. Why should you not allow this pot-still whisky a year old to be mixed with something better, such as a silent spirit, and made drinkable for the working classes?

761. You mean to say made drinkable from the point of view of the palate; but what about the stomach and the head?—Certainly it makes it better sanitarily.

762. You mean to say that if you mix a fourth of one spirit with three-fourths of the other, the three-fourths of good spirits will carry off one-fourth of bad?—You are mixing good stuff with deleterious stuff. Pot-still whisky when first made is more deleterious than patent still whisky when first made; and if you mix them both together you decrease the deleteriousness of pot-still whisky.

763. Would not the better plan be to keep pot-still whisky until it became matured?—It would be better if we could afford it; but we are producing a drinkable article in two years or earlier.

764. I wish to ask you now in regard to the German spirit; you stated that the German spirit is a purer spirit than the British patent still whisky?—The German potato spirit, I think, is, of the two, more pure than the patent still whisky.

Chairman.

765. Are you right in calling it a potato-made spirit?—There is beetroot-made spirit, that is not quite so clean.

Mr. *Healy.*

766. But the chemists on this Committee think it does not matter what you make the stuff from?—I said that it is supposed that the potato spirit will give off its fusel oil a little more readily than any other spirit.

767. I understand from the point of view of the scientist it does not matter in the least degree what you make the article from?—I did not say so.

768. You differ from the scientists?—You did not ask me the question.

769. Do you think it does matter what the

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Mr. *Healy*—continued.

ingredients are that are used in distillation?—Decidedly it matters, because some of the other constituents go over. The pure alcohol is almost impossible to get without some other ingredient, very difficult; even the German spirit is not pure alcohol; the strongest I have ever seen is, I think, a little over 70 over proof. I have seen 70 or 71, perhaps. Pure alcohol is 75.

Chairman.

770. The rest may not mean impurities?—It may not mean impurities.

771. It may mean water?—It may mean water, or it might mean something else.

Mr. *Healy.*

772. How is it that chemistry in this matter of distillation, you say, is not able to manufacture a pure article from any ingredient?—I did not say that; I said it was very difficult to manufacture pure alcohol. I do not profess, as I said at first, to give a scientific opinion.

773. Will you kindly give us your opinion, if you have an opinion, upon the subject; is there a proper ingredient from which whisky should be made?—I do not know.

774. I would ask you one question about the measurement of spirits; the British manufacturer complained for a long time of the Customs measuring spirits?—No.

775. When did they?—There has been a very slight complaint recently; I only heard it when I came to London.

776. You did not hear of the deputation to the Chancellor of the Exchequer?—No; it did not reach Scotland. I know to what you are alluding.

777. Is not this the fact, that this evasion of duty was equal to 4½ gallons of duty paid spirit in a cask of 130 gallons, equal to 4 *d.* a gallon for the contents of each cask?—That was the assertion, I believe; I do not know that it was the fact.

778. And if that is right, the Germans have been getting the advantage over us?—I do not think so. If it is an advantage at all it would be the British merchant that would have got the advantage.

779. You do not mean to say that the Germans did not escape the 10 *s.* duty by that?—The German does not pay the duty, but the British merchant who uses it; if he got 4½ gallons too much he would have escaped 2 *l.* duty or more; it is not that the German gets it; in fact he would lose.

780. Then do you maintain the integrity of your measurements?—No; the measurements were by gauging, which I described before, which is a very good approximation, inasmuch as it has given entire satisfaction to the trade with the exception of these very large and clumsy casks, which are sometimes difficult to deal with, and therefore we are going to alter the *modus operandi.*

781. But did not the Germans, so to speak, invent those large clumsy casks for the mere purpose of evading the duty?—I do not think so; opponents in trade will make some strong assertions sometimes.

782. Does the quality of foreign-made spirits vary very much?—Very much.

783. Can you account in any way for the variation?—Yes, by the process of distillation; one may be highly rectified and the other not. Of course a very clean spirit is subject to a process of saturation with charcoal.

Mr. *Healy*—continued.

Sir *Henry Roscoe.*

784. You told us that molasses are imported into Hamburg for the purpose of manufacturing the article of rum there?—Yes.

785. How does the article of Hamburg rum, manufactured from molasses, differ from the Jamaica manufactured article?—I do not think that there would be much difference. It has been asserted that climatic influences will have some effect; I do not think so personally.

786. Would you, therefore, put such an article manufactured from molasses on the footing of a mixture such as you get by taking the silent spirit and adding the extract to it?—No; I should say that the spirit made from molasses would be more nearly allied to pure rum than the plain spirit to which the extract was added.

787. Could you distinguish the rum made properly from molasses in Hamburg from that made properly from molasses in Jamaica?—No.

788. According to your proposal then, you would class it as Hamburg rum?—I think we have carried our proposal to the very uttermost, and almost gone to an extreme.

789. Are you prepared to suggest any means by which that manufacture from molasses could be distinguished from the artificial?—No; the probability is that the molasses imported into Hamburg are used in order to build up with a silent spirit, and therefore we call it imitation rum.

790. You mean that what one may call the genuine molasses article is not really brought into this country from Hamburg?—No.

791. Then you have told us that there is a considerable amount of both bad and good German spirit?—Yes.

792. Are you accustomed to distinguish between the good and the bad?—Yes.

793. They may equally come from the same district?—Yes; only that all the bad spirit is methylated, and becomes free.

794. The bad spirit is methylated, and is delivered into the country free?—Except 4 *d.* a gallon.

795. That spirit is not useless?—No.

796. But useful for the purpose of manufacturing varnishes and other things for which the pure spirit is not required?—Exactly.

797. But the pure German spirit is used for mixing in a variety of ways?—Yes, for drinking and perfumery.

798. With regard to the addition of this good spirit, spirit used for drinking, would you call it an adulteration to add that to pot-still whisky, or to gin or any other drink; would you consider that an adulteration?—No, I should scarcely consider that an adulteration; it might be a falsification of the article, but not an adulteration *per se.* It might improve it.

799. By adulteration, I suppose, is meant the addition of something that is harmful?—Then I should say it is not adulteration.

800. If you take that definition of adulteration, you would consider it to be a falsification if it were represented to be something which it is not?—Exactly.

801. If

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Sir *Henry Roscoe*—continued.

801. If it were admitted as whisky, would it be detrimental?—We do not permit it to be admitted as whisky.

802. But the use of British spirit is only detrimental on the same lines, is it not, that is to say, would you call it adulteration to add patent still British spirit?—No, *per contra*, I think it helps the new pot-still spirit. There is just that point for consideration, that if it were sold for malt whisky, it would be a falsification; but everybody who sells malt whisky takes very good care to put "pure malt whisky" on it.

803. And it fetches a higher price?—Three or four times as high, duty excepted.

804. But with regard to the cheap spirit and the wholesome spirit, is there any objection to the use of this what you may call patent whisky?—Just the contrary. I think it is extremely useful. I am sure the big dealers think so.

Mr. M'*Ewan*.

805. Is this Hamburg rum marked on the cask "Hamburg rum"?—There are no marks at all.

806. If it had been marked "rum," would you have seized it?—No, but if it were marked "Demerara rum" or "Jamaica rum," we would seize it.

Chairman.

807. Is blending a great industry?—Very great, for whisky chiefly; there is very little whisky sold that is not blended.

808. Do you think that it would be a considerable interference with trade to say that blended whisky, which professes to be blended whisky, contains a certain percentage of patent distilled spirit?—I think it would, but I do not see any very great objection to it.

809. But would it be resented by the trade?—I think it would.

810. The blending is of two kinds, I understand it; blending real whiskies of different qualities, making what the individuals think a good blend?—Quite so.

811. Then there is also the blending of whisky with a silent spirit, that is a patent still spirit, in order to dilute it and render it fit for public use?—That is exactly it.

812. But would persons consider it much interference with trade if you said, "This malt whisky contains 5 per cent. of patent still whisky"?—I think it would be considered, and I think it would be very difficult to carry out.

Sir *Henry Roscoe*.

813. How could you prove it?—You could scarcely do that.

Chairman.

814. You could prove it in bond, could you not?—It would require an elaborate system of accounts.

815. But the blending, of which a great deal takes place outside, you have no control over?—No, none at all; we often put 15 or 16 different whiskies in a blend.

816. Have you anything to say about grogging, about the grogging of casks and getting whiskies out of the staves of old casks?—Grogging has been checked to a very considerable extent in recent years.

Chairman—continued.

817. It has been checked by allowing the casks to be only used once?—Yes.

Mr. *Healy*.

818. Is there not still a large exportation from Glasgow, I will not say to what port, of old casks or casks in which racking has gone on?—I should not think so; you mean whisky casks?

819. Yes?—No.

820. You never heard the allegation that wood of a porous kind is used for the purpose?—No, they use sherry casks for whisky, the wood of which is not particularly porous.

821. How many gallons of sherry are made in the world, and how many of whisky; where do they get the sherry casks from for the whisky?—They get as many sherry casks as they can, so that they have gone up from 10 *s.* to 2 *l.* each in my recollection.

822. Can you get sufficient sherry casks for all the native whisky made?—No, but I say that a great number of sherry casks are used for the best whisky.

823. Are not the Germans commencing to use sherry casks for exporting?—No.

824. What is the advantage to the public of racking?—If I have a cask of 100 gallons, and you want 20, I can draw off 20 and sell it to you.

825. Why do not you allow the cask to be racked twice?—Then comes the question of grogging. You are attacking two different things, if you will excuse me. If you have racked and the casks remain in bond, and you empty those casks, and wish to take them away again, we do not permit that; but you may rack from the cask and take say, 20 casks out of a certain number, but you may not do it over and over again, and take the empty casks away.

Chairman.

826. We have not heard anything about vatting?—Vatting and blending are practically synonymous.

827. The difference is that it is done in large vats?—Yes.

Mr. *Healy*.

828. You do not think that the stopping of blending in bond would be a great advantage to the public?—I think it would be a great disadvantage.

829. Wherein, to the consumer or otherwise, would the disadvantage be?—Take your case and mine; perhaps I may take my own, that is the very best way perhaps to answer the question; I may like a whisky which has two or three distinctive qualifications. I might like it with a peaty flavour and a mellow flavour; if I put the two whiskies together I have got it.

830. Why cannot it be made having both of those points together?—There is no single whisky with all these qualifications by itself.

831. But supposing I have a taste for a particular Scotch whisky, ought I not to be able to get it?—You can get it.

832. Could you tell the Committee where to get a particular whisky?—By sending to the distillery and buying it.

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Friday, 18*th July* 1890.

MEMBERS PRESENT:

Mr. Boord.
Mr. Flynn.
Mr. T. M. Healy.
Colonel Hill.
Sir Lyon Playfair.
Mr. M'Ewan.
Mr. Somervell.
Mr. Vernon.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

Dr. JAMES BELL, C.B., F.R.S., called in; and Examined.

Chairman.

833. You are a Fellow of the Royal Society, are you not?—I am.

834. And are you a Fellow of the Chemical Society?—Yes.

835. And I need not ask whether you have had large experience in chemical examinations?—Very considerable experience.

836. What is your position in the Excise?—Principal of the Inland Revenue Laboratory.

837. Have you a good many assistants under you?—Between 40 and 50 altogether.

838. Have you not recently been making investigations upon the subjects referred to this Committee?—I have.

839. Are they complete or incomplete?—They are not complete Of course the subject is a very complex, and a very difficult one, and it requires a considerable time to master all the points that arise, and the investigation is not complete yet; but if the Committee desire that we should continue the investigation, so as to make it more complete, I have no doubt there will be no difficulty about our doing so, with a view to our laying the final results, afterwards, before the Committee.

840. Let us begin with the pot still whiskies; have you been making experiments upon the pot still whiskies?—Yes, under the head of pot still spirit I include whisky, brandy, rum, and geneva or hollands; I do so because each of them contains what is popularly known as fusel oil, and at least one other distinctive body called furfurol aldehyde.

841. Could you show the Committee by samples the various constituents that are in whiskies?—I can show them the various alcohols, that is the alcohols higher than ethylic alcohol, which are said to be found in fusel oil.

842. The basis of fusel oil is a mixture of amylic alcohol with other alcohols, is it not?—Yes, and it occurs to me that it will make the subject more tangible to the minds of the Committee if I show them samples of these alcohols.

843. Will you please do so; will you begin with pure alcohol. (*The Witness showed samples of the constituents of fusel oil.*)

Witness.] To show the effects when mixed

Chairman—continued.

in small quantities in water, I produce samples (*producing the same*) containing two-tenths per cent. of the alcohol in each case in solution. (*The Witness showed the samples.*)

844. Have you examined representative samples of new and old pot still whiskies?—We have. We obtained samples from different distilleries throughout the kingdom representing new and old whiskies.

845. And without asking you for the names of the distilleries, may I assume, from having seen your experiments, that first-class distilleries in Ireland, and first-class distilleries in Scotland, were selected?—Yes, we selected those that we thought would be fairly representative of whiskies produced in Ireland and Scotland.

846. Will you tell us your results?—We found considerable variation in the proportion of the distinctive ingredients present, already referred to. This difference was clearly observable by the results of our qualitative test; and taking these as a guide we selected a few samples for quantitative analysis.

847. Will you tell the Committee the difference between qualitative and quantitative analyses?—The qualitative analysis consisted in applying a re-agent that produces a colour where certain bodies are present. In the quantitative analysis we determined the actual proportion of the higher alcohols present and also any other bodies that are readily oxidisable and convertible into acids by oxidation, such as aldehydes.

848. Now supposing you indicate your distilleries by letters A., B., C., and D., will you tell us what were the results?—We first selected samples which appeared the most pure, and samples which appeared the least pure, for the purposes of our quantitative analysis. Our quantitative analysis was made upon spirits obtained from four different distilleries, represented respectively by A., B., C., and D.

Mr. *M'Ewan.*

849. You do not distinguish between the two countries?—I do not distinguish unless the Committee desires me to do so. The new spirit from

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Mr. *M'Ewan*—continued.

from distillery A. was found to contain 0·12 per cent. of fusel oil, reckoned at proof strength of the spirit; the three years old was found to contain 0·14 or 14–100ths of 1 per cent.

Chairmau.

850. None of it seems to have disappeared then by keeping it for three years?—Not of the matters oxydisable into acid. The point having been raised, I might mention that, so far as experiments have gone, we are inclined to the opinion that the higher alcohols remain practically unaffected although we have not evidence to prove it; but we are inclined to that opinion from the results of experiments so far.

851. Will you go on to distillery B.?—The new spirit from distillery B. contained 0·09 per cent., and the old 0·12.

Mr. *Boord.*

852. Three years old?—Three years old.

Chairman.

853. That is rather more again?—Quite so. Perhaps it is right that the Committee should understand that these are not duplicates. The new spirit does not represent the old, nor the old the new; they consist of the different distillations, and I believe it probable that you will hardly get two products exactly alike.

854. Now sample C.?—The new spirit contained 0·08 per cent., and the old 0·14 per cent.

855. Is it possible that the old, by evaporation, might have become stronger?—No; the old samples that we operated upon have been reduced in strength by keeping in warehouse.

856. Will you give us sample D.?—That contained 0·06 per cent. in the new spirit, and in the old spirit 0·07 per cent.

857. That is practically the same?—Practically the same. It will be seen that the spirit produced at distillery A. contains twice as much oxidisable bodies as the spirit produced at distillery D.

858. Could you say which was Irish and which was Scotch, or would you prefer not?—I think it would be invidious for me to indicate the source from which they come. We have selected these samples as the extremes, and it would be hardly fair to indicate the source.

Mr. *M'Ewan.*

859. May I ask this: do the two extremes belong to the same country?—They do not. These results may be rendered more intelligible to the Committee if they are expressed in terms of a wine glass full of proof spirit which is represented by a thousand grains. The first would contain in the new in a wine glass 1 grain and two-tenths of a grain, and in the old 1 grain and four-tenths of a grain.

860. Do you mean number A.?—Yes.

Mr. *Flynn.*

861. That is the three years old?—Yes. Then, in the sample from B., the new would contain nine-tenths of a grain, and the old would contain 1 grain and two-tenths of a grain. Sample C. would contain eight-tenths of a grain in the new, and 1 grain and four-tenths of a grain in the old. Distillery D., the new, would contain six-tenths of a grain, and the old seven-tenths of a grain.

Chairman.

862. Now, judging from these results, would the same time for bonding answer one character of whisky that would do for another?—It is apparent from those results that there is a considerable difference in the character of the spirit produced at the different distilleries; and if the time required for mellowing a spirit depends upon the quantity of fusel oil bodies present, it is obvious that to reach the same degree of purity, or of mellowness, in the case of samples A. and D., the former would require to be kept in the warehouse at least double the time of the latter.

863. With regard to brandies, have you made similar inquiries?—We obtained nine samples from the customs of brandy, as imported. In the case of brandy, we did not think it necessary to determine the percentage of fusel oil present, in any of these samples, at this stage of the inquiry; we considered that it would answer all practical purposes at present if we applied our qualitative test to each of the nine samples. The result of the test was that four practically answered to genuine brandy, while the remaining five corresponded to a highly purified spirit, flavoured and coloured.

864. Then practically rather more were not brandy, in the true sense, but were a purified spirit flavoured and coloured?—Quite so. I should point out to the Committee that the results of the qualitative test, in the case of genuine brandy, correspond very closely to those obtained in the case of pot still spirit.

865. That is to say rarely exceeding two-tenths per cent.; is that what you mean?—No, what I mean is this, that in the application of the qualitative test we get, as I have already pointed out, certain colour results; and on applying the test to genuine brandy, the results approximate very closely to those obtained in the case of whisky.

Mr. *Healy.*

866. Pot still whisky, you mean?—Pot still whisky.

Chairman.

867. Do you observe that in the colouration produced by one ingredient which is supposed to be injurious, furfurol, you obtain as distinct indications of furfurol in brandies as in whiskies?—It is more faint in brandies; the genuine brandies appear to have been very carefully distilled, and the quantity indicated by our test for the presence of furfurol is not very great; the colour is more faint than in some of the whiskies. I might also add that in order to confirm our results, we obtained reliable samples of

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Chairman—continued.

what we were certain were genuine brandies, and which we took as our standard for comparison.

868. With regard to the five samples of highly purified spirit, flavoured and coloured, I suppose they did not give you such strong tests, did they?—They showed no colour whatever, except in the last fraction, in which it was affected by the flavouring material added.

869. And did you find fusel oil in it?—We did not test it for fusel oil; we have not tested any of the brandies for fusel oil.

870. What did you test it for?—For those bodies which accompany fusel oil, and which are indicated by our qualitative test. The higher alcohols I have shown are not affected by our qualitative test, but these are always accompanied by other bodies which are indicated by the application of our test.

871. Do you mean by the lower alcohols?—No; for instance, furfurol is one of the bodies that is indicated by our qualitative test, and other bodies which we have not identified also produce colouration by the application of our test.

872. Is not your test to add a certain volume of sulphuric acid to the same volume of the spirit you are examining?—Yes, half the volume of strong sulphuric acid.

873. Which then produces the colouration?—Yes; and where these bodies were present in large quantities, we selected those samples for analysis as the most impure, because we anticipated that where these bodies were present in considerable proportion, the higher alcohols would be present also in larger proportions.

874. You mean that if, for instance, you find strong colouration produced by furfurol, nobody would have added furfurol intentionally; and therefore it must come from the fusel oil?—It must have accompanied the fusel oil.

875. Have you done the same thing with regard to rum?—Yes; we obtained 24 samples from the Customs as imported; and, as in the case of brandy, we did not consider it necessary to apply the quantitative test to determine the quantity of fusel oil present in any of the samples; but we applied the qualitative test to each sample; and the results of that test, when applied to a genuine rum, approximated very closely to those obtained from whisky or a pot still spirit.

Mr. *M'Ewan.*

876. How many samples answered to the test for genuine rum?—Fourteen of the 24 samples that we received from the Customs.

Chairman.

877. What were the remaining 10?—Of the 24 received, 14 answered to the test for genuine rum.

878. And what became of the remaining 10?—The remaining 10 corresponded to a highly purified, flavoured, and coloured spirit.

Mr. *Healy.*

879. Did the Customs distinguish where they got the rum from; what samples were from Hamburgh?—Yes.

880. Perhaps in the analysis you will distinguish what you are speaking of; whether Hamburgh or West India rums?—

Chairman.

881. With regard to the 14 that were genuine, were they from cane-producing countries?—From the West India Islands.

882. And the other 10, from where?—From Rotterdam and Hamburgh.

883. Now, with regard to those five samples of brandy and ten of rum, which corresponded to highly purified spirit, flavoured and coloured, would they obtain any benefit by bonding?—No; I should say that the spirit of each was so pure that they would be practically free from fusel oil; they were free from furfurol, and all the other bodies which we find indicated or present in the pot still spirit produced in this country.

884. But supposing they were bonded for any time, shorter or longer, would they improve in bond?—No; practically I should say there would be no improvement produced in the spirit by keeping it in bond.

885. Did you examine into hollands in the same way?—We did.

886. With what results?—The hollands corresponded very closely to the pot still spirit of this country.

887. That is to say, that you did not find in the hollands the evidences of fusel oil or its derivatives?—We did not determine the fusel oil in the hollands; we simply tested them qualitatively, to see whether they corresponded to a pot still spirit or to highly purified spirits flavoured.

888. And did you find no evidences in the colouration of these ingredients in them?—Yes; the results of the qualitative test were somewhat similar to the results obtained in the case of whisky, and also in the case of genuine rum and genuine brandy.

889. Now, about the patent still or silent spirit, have you made experiments with that?—Yes; we obtained representative samples from different distilleries throughout the kingdom, and subjected them to the same qualitative test as the pot still spirit, for the presence of the substances ordinarily met with in whiskies. The result of the test was a negative one in nearly every instance, and the spirit was found to be practically odourless. In some instances there was a slight colour produced in the first fraction of the distillation, due to the presence of a trace of a highly volatile substance, but which we have not had time to identify. Altogether the spirit in every case was highly purified. At two distilleries we were able to obtain a sample of new, and one of three years old.

890. You were able to examine new spirits and old spirits of the patent still spirits?—Yes. The quantity of fusel oil, taking that term in its usual wide sense, in each of the four samples, was determined with the following results: in one case the percentage in the new spirit was 0·027, and in the old, 0·033; in the second case the

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Chairman—continued

the percentage in the new was 0·027, and in the old, 0·027.

891. That is to say, that whatever was there remained unchanged?—Yes; there was as much in the old as in the new, but the samples did not represent the same distillation.

892. Do you think that these results show that there is room for improvement by bonding spirits of this kind?—These results show that there is, practically, no room for improvement in this class of spirit by keeping it in bond for a limited period.

893. Would you give us, in the same way as you did in the case of whisky, the proportion of fusel oil matter in a wine glass of these spirits at proof strength?—The proportion of fusel oil matters, reckoned in a wine glass of these spirits at proof strength, is equal to 0·27 of a grain, and 0·33 of a grain, in the first case; and 0·27 and 0·27 in the second case, both in the new and in the old.

894. Have you examined, for comparison, the patent still spirits imported from abroad through the Customs?—We have. We received 14 samples from the Customs of plain spirits as imported.

895. What was the result?—These samples, with the exception of two, representing spirits intended for methylation, were highly purified, and the strength ranged from 64 to 68 over proof, except in one instance, in which the strength was 55 over proof.

896. And what was the result of the qualitative test applied to these foreign samples?—The result showed that the spirits, as a whole, were remarkably pure, and those of the best quality were more pure than the British patent still spirit.

897. Did you submit any of these samples to a quantitative analysis, as well as to a qualitative one?—We did; two of the samples were taken and submitted to a quantitative analysis for the estimation of the fusel oil matters present, with the result that each was found to contain 0·009 per cent., reckoned as before on the spirit at proof strength.

898. What would that percentage of fusel oil represent in a wine glass of the spirit at proof?—It would represent 0·09 or 9–100ths of one grain.

899. Would your opinion, as regards the non-improvement of British patent still spirit in bond, apply also to foreign spirits; would they improve or otherwise?—Yes, it would apply; I do not think there is any room for improvement in the foreign spirits, seeing how pure they are; and I might, moreover, point out that in my opinion it will be found that where the strengths are so high as from 64 to 68 per cent. overproof, no improvement under those circumstances would take place on account of the high strength.

900. Would there be a greater loss by evaporation?—Yes, by keeping a spirit in cask of a strength at from 64 to 68 overproof, there would be a very considerable loss in bulk in a short time.

901. Have you made any experiments in regard to gins produced in this country?—We have; we have obtained samples of the spirits

Chairman—continued.

which the rectifiers use, and also samples of the spirit after rectification.

902. And after being flavoured and converted into gin?—Yes. The spirit which we received corresponds in purity and character to the patent still spirit produced in this country.

903. It is rectified again by the rectifiers?—Yes; and after rectification it is still more pure; an extremely highly purified spirit.

904. As it is sold to the public have you examined it, when it is gin?—We have, and the spirit is also remarkably pure, and corresponds with the character of the spirit that we examined after rectification from the rectifier.

905. Did you take representative samples of gin from different makers?—We did.

906. And, so far as the spirit is concerned, you found the spirit in them pure?—Yes, remarkably pure, and free from any pungency, so far as you can get ethylic alcohol free from it.

907. Would that improve by bonding?—No; the spirit is so remarkably pure that there is nothing left in it to alter.

908. Now, what is the character of the spirit used in the preparation of tinctures in this country in the arts?—It is always the highly rectified spirit or patent still spirit.

909. Do the manufacturers of tinctures ever use whiskies in the preparation of tinctures?—No, they select the pure spirit as produced by the patent still, or purified German spirit.

910. Do you think you would obtain any advantage if that spirit were kept for some time compulsorily in bond?—I do not; and it would increase the cost of the manufacture of the drugs, tinctures, and other preparations.

911. Have you made any attempt to obtain public-house spirits from fairs and other places where people congregate together?—We have not obtained any from fairs or races, because we did not know where to send for them; but we obtained samples from various towns, from the lowest part of those towns, where the lowest class of the working people would obtain their supplies.

912. From England, Ireland, and Scotland?—From England, Ireland, and Scotland. Altogether we obtained 51 samples, and we subjected them to the usual qualitative test, and the results, so far as the purity of the spirit was concerned, were very satisfactory.

Mr. *Healy.*

913. Did you drink any of it?—I tasted it. From our examination of the samples we came to the conclusion that of the 51, six consisted of pot still spirit only; 38 mostly patent, and seven a mixture of nearly equal proportions of pot and patent still spirit. The strengths were very various, but with two exceptions the great bulk of the samples lay between 15 and 25 under proof.

Chairman.

914. Were you surprised to find that the spirits sold in low public-houses were so pure?—I was not aware that highly rectified spirit was so generally used for whisky.

915. But you are quite certain of it now?—Certain. I think one of the most important features

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Chairman—continued.

features of the results of the examination of these samples, is that it affords evidence that an economic process is going on by which patent still spirit is gradually replacing the pot still spirit.

Mr. *Healy.*

916. I thought you said 38 of the 51 samples were German spirit?—I used the term "patent still," but that corresponds to some extent to the German spirit.

Chairman.

917. Did you say that only six of the 51 were pot still?—Six were pot still spirit only.

918. Thirty-eight of the 51 consisted mostly of patent spirit?—Yes.

919. And seven of a mixture of nearly equal quantities of pot and patent still spirits?—Yes.

920. Now about the strengths that were found; the strengths varied very much?—Yes, in some instances. The variation was commonly from 10 to 15 per cent., but in one instance there was no less a difference in strength than 78·6 per cent. of proof spirit, which, in a glass of whisky, would represent a difference of 786 grains of proof spirit.

921. Then from the increased strength people might have got drunk much more quickly?—Yes. One sample was 57·6 under proof and one 21·2 over; these were the two extremes.

922. Did you find it exceptional, that there were such variations as that, or in the mass of the samples you examined were they near each other in strength?—In the bulk they varied from about 14 under proof to 30 under proof.

923. I thought the law said they were not to be sold under 25?—They can sell it at any strength if they intimate to the purchaser or put up a notice in the shop that the spirits are sold under legal strength.

924. Are you aware that there is a considerable importation now of fusel oil as fusel oil into this country?—Yes.

925. Do you know what it is used for?—As a solvent.

926. Do you think it may be used for adding to patent still spirits in small proportions, in order to make an imitation of whisky?—It might be used in small proportions for that purpose, but I hardly think that any trader would try to debase his spirit in that way; he can get a small quantity of suitable whisky to flavour it, which he knows is perfectly safe.

927. I wanted to know if there was any evidence of it?—I have heard it alleged frequently, but I have never known that there was any evidence of the fact, and, in my opinion, no such thing is done.

928. For what purposes is it used as a solvent?—I do not know exactly the particular substances for which it is used as a solvent, but I know Howard's people use it very largely at Stratford. If you notice, in comparing the pot still spirit with the patent still spirit, we find that there is less than half the quantity of fusel oil in the patent still spirit as compared with the other; and this is the case even taking the cleanest sample of pot still spirit that we examined.

Chairman—continued.

929. Could you refer us, from your knowledge of spirits, to any published papers or researches with regard to the effect of fusel oil upon health?—Yes; some years ago the French Government found that the health of the people was being very seriously affected in some districts in France by drinking impure spirits, and that lunacy was increasing very much. They appointed a Commission, who made a most extensive investigation into the whole subject, and practical experiments were made upon animals with fusel oil to determine its toxical effect.

930. Can you give us a reference to the Commission, that we might refer to it?—I will furnish the reference.

Mr. *Flynn.*

931. In what year was that Commission appointed by the French Government to inquire into the fusel oil?—The Report came out, I think, about two or three years ago; and, judging from the extent of their inquiry, they must have been carrying on the inquiry for two or three years prior to that, I think. There are three volumes containing the report of the result of their investigations and the evidence which they received.

932. You say there is a considerable importation of fusel oil into Great Britain?—I do not know the quantity.

933. I suppose your department would have no opportunity of knowing whether any portion of that fusel oil so imported is used for other purposes than for those of solvents?—If it were used for adding to or flavouring spirits largely, we should be certain to hear of it from the trade.

934. Would it not be possible for a rectifier to get hold of a quantity of this fusel oil, and blend it in his own private warehouse; would it not be possible for him to purchase and get hold of a certain quantity of the fusel oil so imported, and blend it in his own private warehouse?—Yes; it would be possible, but not likely.

935. Why not likely?—Because he might spoil his spirit.

936. You say you obtained 51 samples from various public houses in the country; those were taken, I apprehend, from different parts of Great Britain and Ireland; from England, Ireland, and Scotland?—Yes; from different towns in the three kingdoms.

937. But did you get any samples from various fairs or races?—No; but I have no doubt that the spirits which we obtained fairly represented those spirits that are sold at fairs and races.

938. You say that the spirit represented by the whisky samples not a great deal under proof, varying from 14 to 30; still, on the whole, it was comparatively unadulterated?—The great bulk of them were very pure spirits.

939. Would your department have any idea; I suppose it was by the addition of water that they were brought down under proof?—Yes.

940. But did the test bring out that any other substance was used than water in adding to the original pure spirit?—If any substance had been used,

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Mr. *Flynn*—continued.

used, not of a neutral character, we would have detected it.

941. With regard to the nine samples of brandy that you obtained from the Customs, you said the qualitative test was applied to them?—Yes.

942. You did not apply the same test as you applied to the whiskies?—No, we did not apply the quantitative test.

943. Would it not have been necessary to do so in order to bring out a proper comparison?—Yes, and if we had had time we should have done so.

944. With regard now to the samples that you get from the various distilleries in Ireland and Scotland, we do not want to know the countries from which they came, at least I am not asking that, but you took four samples altogether, A., B., C., and D.?—We selected for quantitative analysis eight samples of new and old spirits obtained from four different distilleries, represented by A., B., C., and D.

945. These were all, I presume, pot still distilleries, were they not?—They had pot stills.

946. Were these patent spirits you obtained?—We obtained both.

Chairman.

947. I think you do not understand the honourable Member. The four distilleries which you selected were the ordinary whisky pot still distilleries?—In one case I think they had a patent still.

948. In addition?—In addition.

Mr. *Flynn.*

949. But as to the samples that you obtained, were they distilled from the pot still, the samples A., B., C., and D.?—Yes, certainly.

950. Did your Department take any pains (without reference to any particular country or distillery) to go into distilleries that had a high repute in the market for the production of a good whisky, do you know; or what principle did they go on, broadly, in selecting these samples to which to apply their tests; what principle did they go on of selection with regard to the distilleries?—We selected them because we knew something of the character of the spirit that was produced at those distilleries.

951. Previously?—Previously; and we selected them as fairly representing all classes of whisky.

Mr. *M'Ewan.*

952. The highest and the lowest class?—The highest and the lowest; and the samples were obtained from the warehouse by our officers.

Mr. *Flynn.*

953. Of course the quantitative analysis is a question into which laymen, not well up in chemistry, cannot well go; but has it not been always a popular opinion that if whisky has been bonded for some time, that eliminates the fusel oil to a large extent?—There has been that popular opinion.

Mr. *Flynn*—continued.

954. Then has this test found that that popular opinion is altogether erroneous?—I am not prepared to say that. I admit that the ageing of the spirit mellows it; but as to the exact nature of the changes that take place, we are not in a position to say at present.

955. The new spirit in A. distillery showed 0·12 of fusel oil?—Yes.

956. And the three years old almost the same, namely, 0·14?—Yes.

957. So that practically there had been no elimination of the fusel oil in that three years?—There was no change apparently in the substances which are oxidisable, and which upon oxidation produces acids.

958. But has it not been always held that the great advantage of bonding a spirit, such as whisky, is that it eliminates the fusel oil and gives it the agreeable flavour?—So far as we have gone, we cannot confirm that view. You must bear in mind that the relation is something about 400 of ethylic alcohol to one of the other ingredients, and it is difficult to conceive that the latter only would disappear.

959. With regard to the sample from B. distillery, the new spirit showed 0·09, and the three years old 0·12, so that in that case there had actually been an increase of the proportion of the fusel oil?—It may not necessarily be so, because there may have been a little compound ether produced in the old spirit which was not present in the new, or the two spirits may have been different in quality.

960. But, practically, then the quality of fusel oil would be much about the same, according to that test?—According to that test the oxidisable matters capable of producing acids were slightly different.

961. Then are we brought face to face with this extraordinary circumstance, that the impression which has been held for years and years back by connoisseurs of whisky is a wrong impression, and that the bonding of whisky for a considerable time does not get rid of that element of fusel oil which was supposed to be the objectionable element in the new whisky?—Up to the present, I do not believe there is any absolute evidence that the fusel oil bodies disappear entirely.

962. Then, as a chemist, to what would you attribute the superiority of the bonded whisky, three or four years old, to the new spirit?—It becomes mellowed; but at the present stage of our investigation, I am not prepared to say what changes take place in the process of ageing.

Chairman.

963. Is not there a general impression that by keeping whisky containing fusel oil for some years the changes which you call mellowing may be from the breaking up of the fusel oil into other substances?—There may be production of compound ethers.

964. Aromatic ethers?—Yes.

965. And that these aromatic ethers may be what give the pleasant taste to old as compared with new whisky?—Quite so; only that problem has to be solved.

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Mr. *M'Ewan.*

966. Is it true, as sometimes alleged, that after a year or two German spirits change their colour and develope an offensive smell?—I am not aware of it; they may dissolve something out from the wood of the cask, and change their colour, which is not at all unlikely.

967. But is it not the case that if German spirits made from potatoes, and British spirits made from grain, are bonded at the same time, and kept for two years, the one preserves its colour and the other changes it; is that so?—I should think they would both change their colour from dissolving certain substances out of the wood.

968. But one does it to a much greater extent than the other?—Very likely; the German spirit is much stronger, and it may dissolve out certain substances from the wood which the weaker spirit does not do.

969. Then you would not suppose that the difference in the materials from which the spirits has been made would show different results at the end of two or three years?—If the spirit is thoroughly purified you will have none of those changes produced in it.

970. Are you aware that it is a general belief that German spirits do change, both in colour and smell by keeping?—Well, I have heard it stated so.

971. I had a letter to-day from a correspondent who alleges that after three years they change so much as to become useless for blending purposes; is that merely a popular mistake?—I should like to investigate all the circumstances first, before giving an opinion upon a question of that kind. I should like to know the strength of the German spirit, its degree of purity, and the character of the wood in which it is stored.

972. I think it comes out pretty clearly from your evidence that fusel oil is not appreciably diminished by keeping pot still whisky?—That is the apparent inference, but it may not be so in fact.

973. In regard to brandy, you stated that out of the nine samples that you examined four answered to the test for genuine brandy, and five were highly-purified spirit, flavoured and coloured; you stated that there was less furfurol in the brandy than in pot whisky?—Than in some pot whisky.

974. Is not furfurol the quality in fusel oil that acts most prejudicially upon the nerves?—It is stated that it produces convulsions; but whether the quantity that is present in brandy or pot still whisky would produce any sensible effect upon the human system, I am not prepared to say.

975. Is it not the general impression that brandy acts more prejudicially upon the nerves than other spirits?—I think the result of the investigations of the French Commission, or of the evidence that the French Commission received, was this: that taking the wine spirit, the spirit obtained from the wine, which would be a genuine brandy, the ingredients in that were less deleterious than in those obtained from spirit derived from grain. I have got the particulars here, and this is one of the paragraphs from the Report: "Hygienic Considerations. 'The ill effects of all commercial brandies and alcohols are connected

Mr. *M'Ewan*—continued.

with (1) the origin of the alcohols, and (2) their degree of purity.' Beaumetz and Audigé place in order of increasing toxical power the following alcohols: (1.) Alcohols and brandies from wine. (2.) Brandies from pears. (3.) Brandies from apples and from grape residues. (4.) Alcohols and brandies from grain. (5.) Alcohols and brandies from beetroot and from beetroot molasses. (6.) Alcohols and brandies from potatoes." That is the order in which they give them, according to their toxical properties.

976. It appears from your evidence that the five samples of brandy which were not genuine were actually purer than the genuine brandy, freer from impurities?—The spirit employed as a basis was very pure.

977. Is it not an extraordinary thing that such conclusions should have been come to apparently in defiance of the chemical tests; practically the Report of this Commission is that the genuine brandy is less prejudicial than the commercial brandy, which you said was a highly-purified spirit, consequently free from impurity?—It is the flavour and character of the genuine brandy, perhaps, that recommends it to the public. But I should say that we have made no quantitative analysis of the fusel oil or other bodies present in the brandy, and therefore I cannot speak from absolute results as to the impurity, or freedom from it.

978. But as a chemist you would have supposed that the purest spirit would be the least prejudicial?—Well, if I wanted a stimulant pure and simple, I certainly should select the purest spirit.

979. I think you have shown pretty clearly by your evidence that the fusel oil in patent spirits does not appreciably diminish by keeping three years?—That would appear from the result of our experiments.

980. And you do not think that they improve by keeping?—Well, it is alleged that there is an improvement, but I fail to see in what way they can improve very materially.

981. A certain mellowness, perhaps?—There may be a softening.

982. Would that be the result of becoming weaker?—It might result partly from that cause.

Chairman.

983. You also said that it might result from fusel oil changing into aromatic ethers to a certain extent?—Yes, quite so.

Mr. *M'Ewan.*

984. That the fusel oil remains, but assumes new forms?—It may do so.

985. Gin you also found to be very pure, and I suppose, the same as the commercial brandy, made from highly purified spirit?—Yes; gin we found remarkably pure; and it is a remarkable fact that there has never been any outcry on the part of the public against gin as producing any deleterious effects, as in the case of whisky.

986. It seems that fusel oil is now imported, and used as a solvent?—Yes.

987. The Chairman asked you if it might not sometimes be used with patent still spirits for the purpose of getting the flavour of whisky?—It might be practicable to do it.

988. But

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Mr. *M'Ewan*—continued.

988. But would it not be cheaper by blending patent spirits with whisky to get the result, than by using fusel oil?—It would be a more simple and safe process.

989. Not less expensive?—Not that I know of. Of course new pot-still spirit can be got at a very low price; in some cases as low as 2 *s.* 9 *d.* a gallon.

Mr. *Boord.*

990. You describe fusel oil, I understand, as a mechanical mixture rather than a chemical combination of certain of the higher alcohols?—Yes, a mixture of certain bodies.

991. That is to say, that you have no chemical formula to represent fusel oil?—Not as a simple substance.

992. Alcohol is represented by the formula C 6, H 12, O 6; at any rate you have nothing corresponding to fusel oil?—We have the formulas of the higher alcohols which partly constitute fusel oil.

993. But fusel oil is a mechanical mixture?—Yes.

994. You have enumerated four alcohols, and one aldehyde; are there more in fusel oil?—I should not like to say is fusel oil is so indefinite in composition.

995. There may be?—There may be; I think it is possible.

996. And of these you have described the aldehyde as the most injurious ingredient in fusel oil?—No, I did not say that; I said it is alleged to produce convulsions; but that I think is disputed.

997. I understood you to say that it was the most deleterious of any?—No.

998. Have you any reason to believe that any one of these is more deleterious than another?—From the results of experiments, and the opinions of persons well acquainted with the subject, the higher alcohols are said to be more deleterious than the lower ones.

999. Than the ordinary alcohol?—Than ethylic alcohol. It is said that as you go up the scale the alcohols possess more injurious properties.

1000. Then could you put these alcohols in order?—There is propylic.

1001. Is that No. 1?—After the ethylic. Then butylic, amylic, and caprylic.

1002. Therefore, according to that theory, the caprylic alcohol would be the most deleterious?—Yes, according to the opinion of some authorities on the subject.

1003. And where would the furfurol come in?—That is an aldehyde.

1004. I know, but I mean in point of deleterious quality, where would that come in?—That I am not prepared to say.

1005. Can you give me the average per centage of these various bodies which are found in fusel oil?—No, I have not determined that.

1006. Suppose you take 100 grains of fusel oil, what per centage would there be in these five bodies?—I have made no quantitative analysis of the fusel oil to determine that point.

1007. It is rather an important point, is it not?—I do not think you would get two samples of

Mr. *Boord*—continued.

fusel oil containing exactly the same proportion of these alcohols.

1008. Do you think the amylic alcohol would predominate?—In some cases, according to the materials I believe.

1009. But not always?—Not always. In the case of spirit from the pure grape it contains hardly any amylic alcohol.

1010. I assume that we are speaking of British spirit; do you think in the British spirit amylic alcohol would predominate as a rule?—That I am not prepared to say.

1011. Now from the four distilleries of which you spoke, A., B., C., and D., it appears that the three years old whisky contained a slightly greater per centage of fusel oil than the new, and you have been asked some questions on that. Certain of these bodies in the fusel oil are oxidisible?—Yes, the alcohols are.

1012. And, therefore, in order to be oxidised, they naturally absorb oxygen?—Yes.

1013. Do they absorb that oxygen from the air, or do they decompose the spirit?—We employ artificial means, a re-agent.

1014. I am speaking of the natural oxidation; supposing you store whisky in a cask, a certain change takes place, and a part at least of that change is oxidation of some of the component parts of the fusel oil; is that so?—I have already pointed out that there is no evidence at present to show that these higher alcohols, which compose the fusel oil, disappear or are oxidised, and that from the results of our experiments so far, we are inclined to the opinion that these alcohols partly composing the fusel oil do not altogether disappear; and having regard to the fact that there are 400 parts of ethylic alcohol to one of the higher alcohols, it seems rather difficult to conceive that these minute quantities of the higher alcohols would be affected whilst the ethylic alcohol would remain unaffected.

1015. I am supposing (in order to account for the discrepancy you have mentioned) that certain of these bodies absorb oxygen from the air, and therefore their bulk or volume would be so much greater?—I am not prepared to say.

1016. Would any acids be formed by the oxidation of any of these bodies?—We find the free acid extremely minute in the three years old spirits; something about 1-600ths per cent. only.

1017. Would the acid be in sufficient quantity to form ethers with any of the higher alcohols?—It was a minute quantity; but it is possible that it might produce a compound ether with a higher alcohol.

1018. If so, that might account for the aromatic flavour?—Yes, it might.

1019. With regard to these brandies that you spoke of, the nine samples, of which four appeared pure and five resembled highly purified spirit, I suppose those were all ostensibly foreign brandies imported from France?—Yes.

1020. In the qualitative test that you spoke of, I think you applied the strong sulphuric acid to the spirit to be tested?—Yes; we take 50 cubic centimetres of the spirit, and we fraction it into five parts; that is 10 cubic centimetres in each;

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Mr. *Boord*—continued.

and then we add half the volume of strong sulphuric acid.

1021. Then you get sulphuric ether?—That is our qualitative test. The sulphuric acid acts upon certain bodies present, and also enters into combination with the alcohols.

1022. Now, do you rely on this test to distinguish between the genuine brandy and imitation brandy, and genuine rum and imitation rum?—We found it to be reliable for so far for indicating the difference.

1023. At least, you believe that it is reliable?—Yes, we believe that it is.

1024. I suppose, really, your test consists in this: that you take it for granted that rum is a pot-still spirit?—It is, no doubt.

1025. Then, if you apply your test, and you find that the spirit which is represented as rum is so pure as to be equivalent to a patent-still spirit in purity, then you assume that that is imitation?—If it is entirely free from the bodies which are inevitably found in pot-still spirit, we infer that it is not pot-still spirit.

1026. You say that you know that fusel oil is imported?—I know it from hearing of it.

1027. It is used in confectionery, is it not?—It is.

1028. It is used for making different ethers?—Yes, for example in making acetate of amyl.

1029. One of the Members of the Committee suggested to you that a rectifier might obtain fusel oil and blend it with his spirit; but is not it the business of a rectifier to purify the spirit, and to get rid of the fusel oil?—Certainly.

1030. Then he would not be likely to get fusel oil out of his premises in order again to adulterate the spirit that he purifies?—No; I am not aware that he has done so, or that he is likely to do so.

1031. Then, a suggestion has been made that foreign plain spirit changes its colour with age; you have no knowledge that it does so; absolutely no proof?—It is a reasonable thing to suppose so, if it has been kept in a cask.

1032. But that would be a change from absorbing some matter from the wood?—Dissolving some substance from the wood.

1033. But patent-still spirit is practically and commercially pure alcohol?—Yes.

1034. And pure alcohol does not change?—No, not if it is kept in a bottle.

1035. It would only change if it were kept in a porous vessel, or were able to dissolve some materials out of the cask?—Or if it were exposed to the light the spirit might be affected.

Colonel *Hill.*

1036. You told us that in consequence of the increase of lunacy in France some experiments were made on animals with regard to the fusel oil; did you say whether they succeeded in tracing this increase of lunacy to the fusel oil?—I do not recollect, but there must have been good evidence of it or the Government would not have taken it up, I should think.

1037. You have read these three volumes, which I am afraid I cannot have the opportunity of doing; was it ascertained by the Government to be the result of the fusel oil?—The increase

Colonel *Hill*—continued.

in the lunacy was connected with the drinking of impure spirit, according to the report.

1038. That was the original idea of the French Government, and was it borne out by the result of the investigation?—I am not aware what the result was.

1039. Is it not stated in the three volumes?—I think it is; but I have only looked through them.

1040. Will you tell me whether whisky, as a beverage, depends upon the absence of fusel oil for its wholesomeness?—A great deal depends upon the quantity that a man takes.

1041. I am not talking of the quantity; too much of anything is bad?—I do not see exactly the point.

1042. What I want is this: is whisky which has no fusel oil in it as good and as wholesome if made from potatoes as if made from malt?—No; ordinary spirit made from potatoes is considered to be more impure than the spirit made from grain; there are certain oils in the potato spirit which are absent in the ordinary grain spirit.

1043. But supposing those oils to have been removed, there is nothing in the fact that the whisky is made from potatoes that would make it any worse than if made from malt?—If the spirit is thoroughly purified, no matter from what material it is made, it is ethylic alcohol and ethylic alcohol only.

1044. There is no special virtue in malt as a material for the manufacture of whisky?—It imparts flavouring to the spirit of a generally high character, and I should say that malt spirit would be more highly flavoured than ordinary grain spirit.

1045. If you drink old malt whisky, you do not drink anything better than those foreign spirits similarly labelled?—It appears to me to be entirely a matter of taste.

1046. Were the samples of whisky which you took taken from casks?—They were.

1047. You did not test any older samples than three years?—We did not.

1048. Now there is a very considerable difference in these samples; for instance, between A. and D. 50 per cent.; one is 0·12 as compared with ·06, and the other 0·14 as compared with ·07; and you said that those extremes did not come from the same country?—They did not.

1049. May I ask you if you have found anything that leads you to suppose that the general character of the whiskies manufactured in Scotland differs from those manufactured in Ireland as regards the fusel oil?—Well, I would rather speak to the samples as a whole without distinguishing.

1050. I should like to know where the samples came from; I think that question is a general one, and you might answer it?——

Chairman.

1051. I will ask you a general question which perhaps will satisfy the honourable Member; you did not find the whiskies of Ireland worse than the whiskies of Scotland, did you?—We did not.

1052. It

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Colonel *Hill.*

1052. It has been suggested that the mellowing process which you say takes place with age in the whisky is the breaking up of the fusel oil into other matters; but may I ask whether, when that breaking up has taken place, the original injurious qualities of fusel oil still remain?—That is not my statement. There are no results within my knowledge showing that the higher alcohols are converted into other. bodies.

1053. Whether that be so or not, in your opinion the deleterious qualities of the fusel oil still remain?—If it remain there unchanged it still possesses the properties that it originally did.

1054. I think the evidence you have given shows that there is no tendency in the fusel oil to decrease, but rather the contrary, by age?—That appears to be the inference from the results we have obtained.

1055. Did you test the sugar-cane rum as against the German or Russian spirit rum?—We tested the West India rum as against the rum that came from Hamburg and Rotterdam.

1056. That rum that comes from Hamburg is either composed of German or Russian spirit, I believe; and you tested both of those?—I am not prepared to say where the spirit was produced, whether in Germany or Russia.

1057. You tested the West Indian and the Hamburg rum?—Yes.

1058. And what was the result as regards the fusel oil?—We did not determine that.

1059. Am I not right in saying that the West India rum is a much more wholesome beverage than the Hamburg rum?—That I am not prepared to say.

1060. Then I rather gathered from your evidence that in your opinion these German spirits, if mixed with water, would be the most wholesome drink one could take?—It would be a very pure spirit.

1061. And that would be the most wholesome form of taking spirit?—As a stimulant I should say it would be quite as good as any other.

1062. Whatever substance it may have been made of?—If the spirit is highly purified it makes no difference of what material it has been made.

1063. In regard to that French report classifying the different brandies made from various substances, six different substances, they are capable of rectification, and being all made equally wholesome?—Equally pure.

1064. They give an order of merit, or six orders of merit, and they put the brandy made from potatoes to be the worst?—Yes.

1065. But do I understand you to say that that brandy, if treated and purified, can, notwithstanding its origin of potatoes, be just as good as the brandy made from the wine spirit?—If both were purified they would be practically the same, and free from all foreign bodies.

Mr. *Somervell.*

1066. I think, in the analysis you gave us of the different spirits, you distinguished between alcohol and fusel oil; you gave the percentage of what you call fusel oil in the analysis?—Yes, we determined the bodies which are usually collectively termed fusel oil.

Mr. *Somervell*—continued.

1067. And the remainder was the alcohol?—Yes, ethylic alcohol.

1068. But did you mean that the remainder was all ethyl alcohol; there are various kinds of alcohol, are there not?—Yes, but it is ethylic alcohol we are dealing with in the case of whisky and spirituous liquors.

1069. I mean you did not mean that everything which you did not describe as fusel oil was ethylic alcohol?—There may have been other bodies there that we did not remove by our method of analysis.

1070. But may there have been other alcohols?—No, I do not believe there were other alcohols besides the ethylic left behind.

1071. Are there other alcohols besides the ethylic?—Yes, fusel oil is practically composed of alcohols.

1072. But what you define by the term alcohol is pure ethylic alcohol?—What we understand by ordinary spirit is ethylic alcohol.

1073. There is amylic alcohol, is there not?—Yes.

1074. Was there any amylic alcohol in any of those samples?—We did not isolate the alcohols to identify them; the only one we were certain was there, and which there could be no doubt about, was butylic alcohol.

1075. What I want to get is this: if there was any amylic alcohol in the samples, would it have been included in the ethylic alcohol?—It would have been included in the results of our quantitative analysis.

1076. Would it have been included under the fusel oil or under the alcohol; which would you have put the amylic alcohol under?—It would have been included in our estimate of the amount of fusel oil present.

1077. It would not have been included in the alcohol?—No, we removed it from the alcohol.

1078. But are you aware whether what is called the German spirit is produced by natural fermentation, or whether it is the fermentation caused by a chemical process?—It is by ordinary fermentation that all spirit is produced.

1079. Are there no chemicals used in the production of the fermentation of German spirit?—There may be chemicals used in the purification of it.

1080. But not in the production of the fermentation?—No, I should say not, certainly.

1081. Did you give us the percentage of ethylic alcohol in each of the samples?—That would be the strength.

1082. What you tested for purity?—I have got the strength.

1083. And that strength was ethylic alcohol?—Quite so. I can give you the strength of the spirits that we operated upon quantitatively for the determination of the fusel oil The first was 9·3 over proof, the new; the old, 8·3 over proof. In another case 24·5 over proof, the new; and the old, 23·5 over proof.

1084. And when you analysed a fusel oil, or extracted it under the term of fusel oil, you took out everything which you considered deleterious?—We employed chloroform for the purpose of separating these higher alcohols from the ethylic alcohol.

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Mr. *Somervell*—continued.

1085. And therefore everything practically was taken out except ethylic alcohol?—I am not prepared to say "everything," but all the higher alcohols were taken out and the furfurol body.

1086. Might there have been some others there remaining?—There might have been some bodies remaining.

1087. In any quantity?—I should say not.

1088. Not in any quantity to affect health you think?—No, I should think not.

1089. Then did you again subdivide the fusel oil between the various higher alcohols?—We converted them into their corresponding acids by oxidation.

1090. But there is a considerable difference in the effect on the constitution between these various other alcohols, is there not?—Yes, it is said so; that is the opinion of the authorities on the subject.

1091. So that a spirit which contained a higher percentage of what you call fusel oil than another might, at the same time, contain less injurious higher alcohols; it might be the case that a higher percentage of fusel oil might be composed almost entirely of the least injurious higher alcohols, and a lower percentage of fusel oil might be almost entirely composed of the most injurious higher alcohols?—That might be so. As you have raised the point I might mention that from the results of our analysis we believe that the lower alcohol, propylic alcohol for instance, prevails in the patent still spirit.

1092. You mean that what you call the lower are the most injurious, are they not?—No, the least injurious. I say that in the patent still, from the results of our analysis, we infer that the lower class of alcohols above the ethylic exist there, and not the higher, such as amylic alcohol.

1093. But have you conducted experiments with a view of determining that?—Our results are pretty conclusive on that point.

1094. You have directed your attention to that point?—We have not gone into it specially, but that is the conclusion from the results of our experiments, and which, I think, are pretty reliable.

1095. But have you made sufficient experiments to give, on a broad average, the proportion of these several higher alcohols which are to be found in spirit, and which obtained from different substances?—We have not.

1096. I think that in France a series of experiments have been conducted with a view of determining the proportion of the various higher alcohols that are obtained from alcohol distilled from various kinds of substances, for instance, from the grape, or from grain, or from molasses, or from potatoes?—Quite so.

1097. The higher alcohols vary in themselves as well as in their proportions?—Yes.

1098. You are not able to give us that?—No, we have made no experiments in that direction.

1099. Did you analyse any spirits that were sent for methylation?—We did.

1100. Could you give us the result of those analyses in the same way that you did the others?—We found them very impure.

1101. Have you got the figures in the same way as you gave them just now?—No, we did not determine the quantity of fusel oil there The impurity there appeared to be aldehyde bodies.

1102. Nor of the other impurities?—Quantitatively, no; we had not time to identify the bodies present.

1103. Did you come to the conclusion that there were such bodies present there; that it was almost impossible that those spirits could be used for consumption?—They were highly offensive in odour.

1104. They would have required rectification before they could have been used for consumption?—I should say so.

1105. Of course the rectification would remove those impurities?—They could be removed by fractional distillation.

1106. But not by the ordinary process of rectification?—That is part of the process of rectification.

1107. If you take whisky, and remove these higher alcohols which you put under the term of fusel oil, it would have no flavour; it would be a tasteless spirit, would it not?—Yes; it would be odourless; you can see from the smell of those alcohols which I produced, that they possess a very high flavour.

1108. Those alcohols which you produced were all alcohols composing fusel oil?—Found in fusel oil.

1109. In the samples, when you remove the fusel oil, the spirit then would be flavourless and tasteless?—Largely so, unless there were some other bodies present that would affect the flavour.

1110. As a matter of fact, did you observe whether, when you removed these higher alcohols from the samples that you experimented on, the alcohol that was left had any flavour or taste of whisky?—It appeared to be entirely altered in character by the removal of the fusel oil bodies.

1111. Has it the smell of whisky?—It would be difficult to say exactly the condition of it, because there was a little of the chloroform mixed in it, and which affected the flavour.

1112. It entirely destroyed its character as whisky; you would no longer be able to say, looking at it from its taste or from its smell, that it was whisky?—It altered its character.

1113. What I was endeavouring to get out, as regards your opinion about it, was this: whether it was those higher alcohols, which you give the generic name of fusel oil to, that gave the peculiar taste, the peculiar flavour, of whisky to that class of spirit, or whether there was something else still remaining in the ethylic alcohol unextracted by you which gave it that characteristic which enabled it to be called whisky instead of any other spirit?—It is quite possible that there may have been other bodies left which communicated to the spirit a certain flavour, and which were not extracted by our process of removing these higher alcohols.

1114. You did not direct your attention to that?—Not specially; but we noticed that the character of the spirit was altered by the removal of the ordinary fusel oil bodies, and practically it was free from a whisky odour.

1115. You

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Mr. *Somervell*—continued.

1115. You cannot give an opinion what character it had?—No; because we did not remove the chloroform from it to ascertain the exact condition of the residue.

Mr. *Healy.*

1116. I understand that you examined a great many low-class public house whiskies?—We did; 51.

1117. I am sure you would not object to oblige the Committee. I have, at the expense of a shilling, obtained a glass of Scotch and a glass of Irish whisky from the waiter, as they are sold to the Members of the House of Commons. These are supposed to be, therefore, very high-class whiskies. I will have them corked. Have you any objection to take them and analyse them if the Chairman joins in the request?—If it is the wish of the Committee.

1118. We shall have the test back from you quantitatively and qualitatively, I hope. Now, I wish to ask you this question; you have told us that the German spirit coming into this country rather surprised you by its purity?—No, I do not know that it surprised me by its purity, because I was aware before that some of the German spirit was very pure; I was aware of that from samples that came under my observation.

1119. How do you account for the hopelessly heterodox public opinion on this subject?—I have never attempted to solve public opinions at all, or explain them away.

1120. You think the public are all wrong?—I am not prepared to say that. The public is very often right; sometimes wrong.

1121. If this German spirit is so extremely pure, is it not a great hardship upon the German who sells this pure spirit that his article should not be sold as German spirit when it is so pure?—I do not know that there would be any advantage in selling it under the name of German spirit as a pure article.

1122. Do you not think that this shilling German spirit should be protected from the adulteration of 4*s.* whisky?—I think the public should be allowed to be the judges, and that there should be no protection at all in the matter.

1123. I do not mean in the economic sense; I mean that the German should be allowed to sell his pure whisky or spirit as German spirit, so that he may have all the advantage accruing to that denomination?—No, I am not in favour of any distinction; I think that that would be a species of protection.

1124. How; do you mean that you think it is protection to give it its right name; you think it would over-protect the German if the seller of the spirit was obliged to call it German spirit; that that would be too great an advantage to him over the British maker?—To do that there must be some object in view.

1125. The object in view is that the nation that sends us over such extremely good and pure spirit should have all the advantage accruing from the title of German spirit?—I think that that might unduly elevate it and give it an advantage over the home producer, very likely.

1126. You think it would?—It might.

Mr. *Healy*—continued.

1127. Then in justice to the Germans, would it not be very desirable that their spirit should be segregated and sold as such, as pure German spirit, so that the public may have an opportunity of judging of them as much as they desire; do not you think so?—No, I do not. If that were the case, there would be no limit to the demand to deal with every article in that way.

1128. You think that it would be most unfair to the English maker if the German maker were obliged to sell his spirit as German?—I think it should be an open market, and that the spirit should compete fairly and openly with others, irrespective of any special designation.

1129. What could be fairer than that everybody should know what he is buying?—Everyone ought to be a judge of what he is buying, or to ascertain what he is buying.

1130. If that were so we should not have required your analysis; and the public have hitherto, you see, been under the monstrous delusion that German spirit was an impure spirit; but now they read the analysis they will probably rush for the spirit; according to your view of the case it ought to be known to the public where they would get that which is the pure article?—No, I entirely differ from your view upon that subject.

1131. Do you think, then, that the German spirit, pure as it is, ought to be allowed to be mixed with the English spirit, or Irish, or Scotch spirit, which is not at all so pure?—If it were mixed with the Irish and Scotch whisky it would probably tend to purify it.

1132. It would, you think; then do not you think it is most unfair to the trade that they should be paying from 2*s.* 6*d.* to 4*s.* a gallon for Scotch or Irish whisky, which you say is not at all as pure, when they could get pure German spirit for 11*d.*?—I cannot give an opinion upon what the public do; the public are their own judges in the matter.

1133. But if you find that a foolish public will give 4*s.* for a gallon of impure Scotch or impure Irish malt pot still whisky, and you say that the 11*d.* German spirit is purer, do not you think that the public ought to be able to buy German spirit under the genuine title of German spirit?—If the public want a pure spirit they can always get it; and if they want whisky, they can get that too.

1134. But does not the evidence at present go to show that this pure German spirit, which can be obtained for 11*d.*, is being diluted with an inferior Scotch or Irish whisky which can be obtained for 2*s.* or 3*s.*; ought not I to be able to buy my German spirit at 11*d.* pure?—A pure German spirit without anything in it might not suit the public taste.

1135. Then you still maintain that this German spirit ought to be allowed to come in at 11*d.*, and that it is tolerable that it should be allowed to be mixed with a whisky at 2*s.* or 3*s.* or 4*s.*, and the whole sold at 2*s.* or 3*s.* or 4*s.*?—I do not think it is intolerable that it should be allowed to be mixed.

1136. You think, then, that it is quite right that if I call for Irish whisky or Scotch whisky,

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Mr. *Healy*—continued.

pot still and malt whisky, and am willing to pay 3 *s.* or 4 *s.* for it, I should be imposed upon by having possibly German spirit mixed with it?—No, you can protect yourself.

1137. We had the evidence of Mr. Williams last time that it would be an abominable interference with trade if this blending was not allowed to go on in the bonded warehouses of the Government?—It appears to me that the results of our investigation, so far, show that the taste of the public is decidedly growing in favour of a less highly flavoured spirit than the ordinary Irish or Scotch whisky; because out of the large number of samples, 51, the great bulk of those consisted essentially of this plain spirit; which shows that the taste of the public has grown in favour of a less highly flavoured whisky.

1138. That being so, is it not desirable that the discrimination should be made to prevail, so that the public may be able to get what they want; that the public who want this plain spirit should be able to buy it, and that the public who do not want it, but who want a whisky, those who are still deluded enough to believe in their headache in the morning *versus* science, should be able to get what they want?—It appears to me that the public are getting what they want.

1139. Do you allow in your bonded warehouses blending of all kinds to go on?—If blending goes on the object is, I presume, to meet a public want for a less highly flavoured spirit.

1140. That being so, and it being your evidence that it is much purer, why not enable a man who wants to get this highly flavoured spirit to be sure always that he is getting it; why not enable me, who may have a taste for Irish or Scotch whisky, with assurance to obtain it?—I do not see why every man should call upon the Government to protect him in every article of food or drink he buys.

1141. Why use the word "protection;" I want a particular article; if I want apples I do not care to have potatoes sold me; where is the protection in calling it by its proper name?—According to your theory, if for example potatoes were sold as of any particular kind you would require the Government to guarantee that the potatoes were exactly the kind that you bought; but surely you ought to be your own judge.

1142. No, but I object to potatoes being called apples, or apples being called potatoes. Do you think it is a fair thing to allow a spirit that is not whisky (whisky being an article that costs, say, 2 *s.* 6 *d.* per gallon to produce, that is to say, a pot still whisky), but a silent spirit, to be mixed with it, and be sold at the same price?—You must bear in mind that the differences between the prices of whiskies themselves vary far more than the difference between plain spirit and the lowest-priced whisky. Then in making the comparison the duties should be added.

1143. Why is that?—It is a matter of trade.

1144. You defend it on the ground of comparative fraud, as the lady said, "It is only a little one." When you add the 10 *s.* you think that the glaringness of the thing is not so apparent?—It forms part of the marketable price of the spirit.

1145. Then you think the glaringness of the fraud is not so bad?—The comparison is fairer when you add the 10 *s.* 6 *d.* and 10 *s.* 10 *d.* respectively.

Mr. *Healy*—continued.

1146. But the inherent justice still remains and underlies, does it not?—That is a matter of opinion.

1147. And you think there can be two opinions on the fairness of allowing a shilling spirit to be blended with a 3 *s.* spirit, and sold to the public at the higher figure?—But the public will get the benefit of it; surely if a man prefers a blended article made up with spirit at 11 *d.* a gallon, and spirit 2 *s.*, or 3 *s.*, or 4 *s.* a gallon, the public will get the advantage of that.

1148. How?—In the retail price of it.

1149. You think so?—I am certain that is the usual rule of business.

1150. You think that all these blenders are disinterested persons, who are doing it in the interest of the public palate instead of the interest of their own pocket?—Competition between the blenders is sufficient to compel them to sell the spirit at its marketable value.

1151. Then you think the blending is going on in the interest of the public taste, and not for commercial purposes?—As I have already observed, the public taste has apparently grown in favour of a less highly flavoured spirit.

1152. Do you advance a theory that these operations go on in Government stores in the interest of the public palate instead of in the interest of the merchant's pocket?—Generally speaking, the merchants are guided by the public taste

1153. Would you mind addressing yourself to my question; do you think this blending is allowed to go on in the Government stores in the interest of the public palate or in the interest of the merchant's pocket?—It is evidently to meet a demand.

1154. Which interest do you think is being cultivated, the public taste or the merchant's pocket?—Well, I think the public in the end are generally consulted; they are the consumers, and they are the people who ultimately pay the money for it.

1155. Do you think that if the public knew what was going on it would be tolerated, namely, the mixing of this cheap spirit at 11 *d.* with a whisky that cost 3 *s.*?—I do, and I do not think the public would care one button about it, provided the article suited their taste.

1156. And do you think, then, that it makes no difference to me, whether I pay, say, 2 *s.* or 1 *s.* for my article?—I say that it is your business to look after your own interest.

1157. How can I do it so long as the Government keep up this nefarious system; how can I go into a Government store and watch what is coming out?—The Government interfere in no way with competition.

1158. How can I protect my interest; you say I can get the article I want; I say I cannot if the Government in their bonded stores persist in allowing the shilling article to be mixed with the 3 *s.* production, and allow the whole production to be sold at 3 *s.*?——

Chairman.] The evidence is that no foreign spirit is allowed to be mixed with whisky; but British spirit can be.

Witness.] They can blend it outside the warehouse.

1159. I was

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Mr. *Healy.*

1159. I was going to ask you why the Government made this rule against the commercial interest of the German; that they will not allow his spirit to be blended?—I am not aware of the policy upon which it is founded.

1160. You tell us that this is an admirably pure spirit?—Yes; I am speaking to the results I obtained.

1161. That is your evidence; your Department is acquainted with your evidence, I suppose; your Department is acquainted with the result of your analysis?—Yes, certainly.

1162. Why, then, is the German to be deprived of this advantage of blending which you maintain to be so good?—They are not deprived of blending; they are deprived of blending in warehouses, but not deprived of blending outside.

Chairman.

1163. Is it a fact that you have been giving professional opinions to the Government as to why German and foreign spirits should be excluded from blending in warehouses?—It is no part of my duty at all to deal with questions of policy, or with matters of this kind at all; it is outside my province altogether.

Mr. *Healy.*

1164. You are the head of the Analytical Department, I suppose, at Somerset House?—Quite so.

1165. And it is the fact that all food and drug questions come up to you?—Any reference cases.

1166. And through the whole country; practically, on all questions of prosecution before magistrates your analysis is practically accepted?—Yes.

1167. Therefore, we may take it that speaking in that chair you represent the very height, so far as the Government can go, of chemical science, and of the power of the chemical analysis?—Yes; but it is no part of my duty to advise upon practical matters, or matters of policy.

1168. Then may we take it that the Government have adopted this rule of excluding German spirits from being blended in bond without consulting their analytical chemist?—Yes; I have had nothing to do with that, and would not be referred to in a matter of the kind.

1169. You can form no view as to why German spirits have been discriminated against in this way?—I am not aware of the principle upon which the regulation was adopted.

1170. Then we may take it now, that the more blending of this pure German spirit that is allowed to go on, the better?—That is a matter of opinion; but there seems a growing taste for a pure neutral spirit.

1171. Will you tell us (although, of course, it is difficult, I know, for any witness to find terms that will exactly express his meaning, there are so many shades) what you mean by pure spirit?—Free practically from all bodies that are considered objectionable or hurtful.

1172. Then do you consider that German spirit fulfils those conditions; that it is a pure spirit free from all objectionable bodies?—I have not spoken specially about German spirit; I have also spoken of the patent spirit produced in this country as being a very pure spirit also.

Mr. *Healy*—continued.

1173. You think those spirits fulfil those conditions?—With regard to practical purity.

1174. Does science enable you to go so far as this: suppose you take a shilling bottle of claret newly made, and the same claret five or six years' old; does science enable you to tell the difference?—I do not know whether it would, but I daresay there would be a difference in the results of the analysis.

1175. Is it testible by chemical analysis or chemical appreciation?—Possibly we might get results which would indicate a difference in quality.

1176. And you would be prepared, for instance, if necessary, to tell us the difference between a 10-shilling bottle of La Rose and a bottle of Ordinaire at a shilling?—You mean the commercial value.

1177. No, chemically?—We could analyse them and supply the results of the analysis; but that might be very far from indicating accurately the commercial value of the two articles respectively.

1178. That is what I mean; you cannot so analyse, I take it, as to make what I call a commercial distinction?—No, decidedly not.

1179. Does not that observation, then, show the folly of depending upon a pure scientific analysis in the case of spirits and whisky?—I have been speaking with reference to the consumption of whisky or spirits to public health; that is a very different matter to the difference between the two wines.

1180. Take it in this way then; I suppose one of the conditions of the question of public health would be the avoidance of headache?—I have no doubt that an impure spirit would tend to produce a headache.

1181. Now take the question of champagne; if I take a bottle of new champagne and the same champagne kept for five years, can you tell analytically the difference?—I do not know that there would be analytically any difference, but I believe there would be; but you must be aware, if you are making a comparison between wines and spirits, that you are dealing with very different conditions.

1182. Fermentation must remain a mystery, I suppose, for a very long time; that is what you mean?—No; if you compare the ageing of wine with spirit the conditions are different.

1183. I am aware of that; but it is the fact, at any rate, as I take it from your evidence, that you would not be able to tell with any great amount of satisfaction or clearness the difference between a champagne just made and the same champagne kept for five years?—Very likely the two analyses would not differ much, nor would they probably indicate the relative commercial values of the articles.

1184. Then can you explain why it is that new champagne gives you a splitting headache, and the old champagne would not to the same extent?—The conditions in the case of wines are favourable to changes taking place; in these

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Mr. *Healy*—continued.

we have tartaric and acetic acids which are favourable to the production of ethers and other changes in the wine. Now these are absent in whisky; as I pointed out, even the three years old whisky was practically free from any acid.

1185. Have you not in the pot still whisky?—No; there is no tartaric acid, nor acetic acid.

1186. You have not conditions favourable to change in the pot still whisky?—I do not see the same favourable conditions there that you have in the case of wine.

1187. Did I not gather from your evidence that fusel oil might change into aromatic ethers?—It might, but I have pointed out that the inferences from the results of the investigation, so far as it has gone, are against the supposition that the higher alcohols are really converted into ethers.

1188. If you grant me that it is possible for fusel oil to break up into aromatic ethers, is not that a condition favourable to change?—I grant that it is possible.

1189. But I understood your evidence granted that fact?—We have not gone so far as to determine what changes really take place by the ageing of whisky.

1190. I suppose we are to take it, that, whereas now we will suppose a man is ordered whisky by his physican, you think in the future he ought to be ordered a pure spirit?—I believe that the neutral flavoured spirit would answer the same purpose as the whisky; it would be ordered as a stimulant, and pure spirit would answer that purpose.

1191. And you think this cry of the medical practitioners in favour of an old mellowed whisky is a pure delusion?—I have no doubt they are honest in that conviction.

1192. But from the chemical point of view it is a pure delusion?—If it is a stimulant pure and simple that the medical man wishes to supply to his patient, the pure spirit would answer all the purposes as well as the whisky.

1193. You started with the word "if"?—That is the usual object of prescribing any spirituous liquor.

1194. You treat, then, the entire question from a toxic point of view?—I treat it from a health point of view, and from the point of view of the object for which we take spirits, as a stimulant.

1195. Then you think that this curious fad of the trade in persisting in giving a higher value for whisky of a certain age, is founded upon a delusion?—I do believe it is throwing away money in some instances; it would be throwing away money on the part of the working classes to pay 18 *s.* a gallon for whisky, while a much less expensive article would answer the purpose.

Mr. *Somervell.*

1196. I omitted to ask you this question: you told us that in the 51 samples there were six from pot still spirits, 38 from patent still spirits, and seven mixed; how were you enabled to ascertain

Mr. *Somervell*—continued.

that fact; was it by analysis?—Yes, by qualitative analysis.

1197. So that by analysis you have no difficulty in determining whether whisky is a pot still or a patent still, or mixed?—No; so far as our investigation has gone there is no difficulty in distinguishing between the two.

1198. Can you distinguish between a patent still and German spirit?—No.

1199. I would rather put it, between a patent still grain spirit and what is called German spirit, and which is a patent still spirit distilled from other material?—No, I should not undertake to distinguish between the two.

Mr. *Healy.*

1200. I see that according to the French Paper that you handed in under the head of "Hygienic Considerations," "The ill effects of all commercial brandies and alcohols are connected with (1) the origin of the alcohols, and (2) their degree of purity;" do you agree in that?—I believe that view is fairly sound.

1201. Now would you explain, that being so, if the ill effects of all commercial brandies and alcohols are connected with the origin of the alcohols, if that is a sound view, why should it not be so in the light of science?—Because the manufacturers do not take the trouble to pay proper attention to the production of their articles. The method of distillation is almost as crude in some instances as it was 100 years ago.

1202. But observe that the French gentlemen treat this matter from this point of view: they say that "Beaumetz and Adigé place in order of increasing toxical power the following alcohols;" and these two very distinguished chemists must have made the statement that they believed?—Yes; but they are not speaking of the alcohols in a purified condition.

1203. How is it, then, that it seems to make a difference what you get your alcohol from, because they place in the first order a product of alcohol from wine, then the product from pears, then from apples and from grape residues, then from grain, then from beetroot, and from beetroot, molasses, and, last of all, from potatoes?—They are speaking there of the ordinary commercial article; that is to say, that these spirits are always produced by the ordinary method of pot still distillation, and, being so produced, the character of the impurities will vary according to the materials from which the spirit is made.

1204. You think they are speaking, not of their own manufacture for chemical observation, but for commercial samples?—Certainly; because in another part they say that the manufacturers will not improve their methods of distillation in order to render the spirit properly pure, though some of the flavours the materials impart to the article are what the consumers like.

1205. Then, manufacturers being what they are, it is of some importance to the public to know what the manufacturers are manufacturing from?—I do not know that it is of any advantage,

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Mr. *Healy*—continued.

tage, because if the manufacturer purifies his spirit to a certain degree, it makes no difference, practically, what materials he uses.

1206. I grant you that, from the point of view of science; but you started by saying, that the reason was that the manufacturer was so negligent, and, therefore, as we must take it from a commercial point of view, we must treat these manufacturers as negligent, is it not important for the public to know whether a negligent manufacturer is making his stuff from grain, malt we will suppose, or from potatoes, seeing that the result would be different in the point of view of health?—I think we have a very good illustration in the difference of the results of the analysis of the pot still produced in this country. You have seen that, in one case, the pot still spirit contains less than half the proportion of impurities contained in another sample of spirit. Now, if you were to ask me from what materials these two spirits, or classes of spirit, were made, I would tell you that the one which contained the larger proportion of fusel oil was made from malt only; that the other was made, practically, from raw grain, and which, by carefulness in the process of manufacture has produced a purer article.

1207. But you see these French gentlemen seem to say that taking the manufacturers in the rough, with all their imperfections upon their heads, it is important to know what they are making from?—Yes; because, as I say, in the ordinary method of producing these commercial articles, in the ordinary process of distillation by pot stills, you may get a very impure article or you may get a very pure article.

1208. Is it pot or patent still that is employed in France?—I have no doubt that the articles in question were produced by pot stills.

Mr. *M'Ewan.*

1209. The report of the French chemists that the genuine brandy is less deleterious than the commercial brandy arose from the fact, you say, that that commercial brandy was made from pot still spirit, whereas the commercial brandy which you analyse from the Customs here was made from patent still; if the French report had had to deal with commercial brandy made from patent still spirits, probably their report would have been different?—Yes. I have no doubt it would. The samples of genuine brandy that we examined were very carefully prepared.

1210. There were nine altogether; four were from wine and five from highly purified spirit?—Those that were made from wine, I pointed out that they had been very carefully prepared. I also mentioned that in the other cases the spirit used in the manufacture of them was highly purified, and so far as we could judge they were practically free from fusel oil.

1211. And that the commercial brandy, in fact, which you examined was purer than the genuine brandy?—Yes, freer from those bodies which are characteristic of genuine brandy.

1212. When you talk of impurity, you mean that the commercial brandy is a purer spirit than the genuine brandy?—Yes.

1213. That was the result of your experiment; but the commercial brandy examined by the French chemists seems not to have been so pure as the genuine brandy, and that you attribute to the fact that that was the result of pot still distillation?—They were dealing evidently with spirits unduly prepared.

Mr. *Healy.*

1214. You said, as I understood you, that all these things which were referred to by Messrs. Beaumetz and Audigé were pot still products?—Yes, as I read the report, the articles were pot still products.

1215. Do you think now that it was from pot still that the potatoe spirit was obtained?—Yes, I judge from the fact of their pronouncing it very impure.

Mr. *Flynn.*

1216. In reference to these analyses of the four samples taken from the four distilleries, we have here the difference, by comparison, between the amount of the fusel oil in the new spirit and in the three years old whisky?—Yes.

1217. On that point have you ever heard of Sir Charles Cameron, the analyst of Dublin?—Yes, I know him very well.

1218. In giving evidence before the Committee on the Adulteration of Foods Act in 1872, on the question of fusel oil, he says as follows, and I want to know if you agree with him; he is asked, "We have been told by several witnesses that this fusel oil, which is so very injurious in new spirit, becomes innocuous by keeping; are you of that opinion?" and he says in reply, "If you take the oil out of the whisky, the whisky then becomes pure spirits of wine, and it does no harm; but it does not possess the flavour which characterises whisky. If you allow it to remain, in the course of time it ripens into agreeably flavoured ethers and other matters, which confer upon each of the strong alcoholic beverages its characteristic flavour and odour; but it takes takes time to do it"?—There is no chemical evidence to show what actually takes place; it is an opinion only.

1219. He is a high authority, is he not?—Yes, but you cannot determine these things unless by actual experiments; and I am not aware Sir Charles Cameron has made experiments on the subject.

1220. He is public analyst to the Corporation of Dublin, and has taken samples of thousands of whiskies, and it is supposed to be a subject he is peculiarly well up in. He also when this question was asked him: "After that time has elapsed, is the whisky comparatively harmless with regard to those maddening properties," replied, "Yes, it is if taken in moderate quantities. I certainly would suggest, if it were possible, that whisky should not be allowed to be removed from the Government bonded stores until after the expiration of a certain time, say a year at least." Do you think that bonding on that principle would improve the character of the whisky as suggested by Sir Charles Cameron?—I have admitted that ageing will mellow the whisky, but I do not think Sir Charles Cameron has determined the changes that take place.

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Mr. *Flynn*—continued.

1221. He spoke both as a chemist and as public officer of health?—Of course I cannot say anything more than I have said.

Chairman.

1222. In the list given of the toxical qualities of different spirits, the quotations which you have given from the French report show conclusively that they were pot still spirits, unrefined and unrectified?—Undoubtedly.

1223. This passage occurs: "The chemists heard by the Commission declared categorically that such purification can be effected, and that it can be made complete"?—Quite so.

1224. And that in the cases which they had given it was not effected and not made complete?—That is so.

1225. Is it not the case that what are called German spirits, which at present are less German than Russian and other spirits, are highly rectified spirits from which these impurities have been removed?—Quite so.

Chairman—continued.

1226. Are they on the whole better, or worse, or equal to the British spirits made in a like way by patent stills?—They correspond very closely to them.

1227. As no blending takes place of the German spirits in bond, would you, as an analyst, be capable of following the blender outside bond, and by analysis tell him whether he had a patent still British-made whisky or a patent still Foreign whisky?—We could not.

1228. There is no means of detecting?—No; it would be impracticable.

1229. Therefore, as a question of food and drugs, following it, you could not say "That has been blended from German or Russian whisky," and "That has been blended from British patent still whisky"?—No.

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Tuesday, 22nd July 1890.

MEMBERS PRESENT:

Mr. Boord.
Mr. Flynn.
Sir Edward Harland.
Mr. T. M. Healy.
Colonel Hill.
Mr. M'Ewan.
Sir Lyon Playfair.
Mr. Somervell.
Mr. Vernon.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

Mr. W. COBDEN SAMUEL, F.C.S., called in; and Examined.

Chairman.

1230. WHAT is your office in the Custom House?—The Analyst Principal of the Customs Laboratory.

1231. Are you a Fellow of the Chemical Society?—I am.

1232. Have you recently devoted some time to the examination of foreign spirits with a view of determining the amount of fusel oil present in them?—I have.

1233. And have you not made some experiments, especially upon yourself, with the object of finding the effects of fusel oil in different proportions upon your own health?—I have.

1234. Do you think that the present method of testing different spirits is in a satisfactory state?—I am satisfied that it is not.

1235. Why so?—Because, after testing certain samples in which I put certain known quantities of fusel oil, by any of the known processes, I was not able to arrive at the results expected.

1236. You think, then, that it is a subject that requires further investigation?—I do.

1237. Should this Committee decide to meet next Session, do you think that the intervening time might be profitably spent in new investigations?—Most certainly so, I think.

1238. How many samples of foreign spirits did you test?—Fifty-one.

1239. How were they given to you; did you know what they were?—I knew nothing of them whatever; they were simply marked A, B, C, D, and so on.

1240. Who were they supplied to you by?—The Chairman of the Board of Customs, Mr. H. H. Murray, C.B.

1241. When you knew what they were, what did the 51 samples consist of?—They consisted of 14 foreign plain spirits, 24 rums, 9 brandies, and 4 Genevas.

1242. In examining them, did you control them by a standard of pure alcohol, mixed with a certain percentage of fusel oil?—I did.

1243. How did you do that?—I synthetically built up a purified sample of plain spirit.

1244. That is ethylic alcohol?—Ethylic alcohol; and made this the standard.

1245. How much fusel oil did you add to your

Chairman—continued.

standard; was it not one-tenth of 1 per cent.?—Yes, one-tenth of 1 per cent.

1246. What was the process you used to test the spirits in comparing them with the standard?—The permanganate process.

1247. Will you explain to the Committee what that is?—Under the permanganate process any substance present in the spirit, other than ethylic alcohol and water, rapidly decolourises.

1248. That means that they are oxidated by the permanganic acid?—Quite so.

1249. And in proportion as the colour is taken away from the pink permanganic acid, you estimate the impurities?—Quite so.

1250. Now let us take what are call plain spirits, or those derived from Germany, Denmark, and Russia; how many did you examine of them?—Fourteen.

1251. I will ask you questions as to the results immediately. How many rums did you examine?—Twenty-four.

1252. Where were they from?—They were from Jamaica, Demerara, Mauritius, St. Kitts, Rotterdam, and Hamburgh.

1253. How many were from Hamburgh and from Rotterdam?—Twelve; 11 from Hamburgh and 1 from Rotterdam.

1254. And what were they practically?—They were practically plain spirits coloured.

1255. The remaining 12 were from rum-producing countries, were they not?—They were.

1256. How many samples of brandy did you examine?—Nine.

1257. What were they?—They represented ordinary importations of brandy, with the exception that one was from New York.

1258. Were any of them plain spirits, coloured?—Four of them were plain spirits, coloured; one was somewhat doubtful.

1259. Now as to the Genevas; what was the character of those that you examined?—Four samples, all from Rotterdam; they were plain spirits, rectified plain spirits, to which juniper had been added for flavouring purposes.

1260. Now will you give us the results of the 51 distilled samples, giving an average of the impurities in them, the substances, except ethylic

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Chairman—continued.

alcohol and water?—The plain spirit gave 3-100ths of 1 per cent.; rums, 24-100ths of 1 per cent.; brandies, 20-100ths of 1 per cent.; Genevas the same.

1261. Putting it into decimals, plain spirit gave 0·03; rums, 0·24; brandies, 0·20, and Genevas, also, 0·20.

1262. Then the plain spirits are the freest from impurities?—They are.

1263. What are foreign plain spirits (that is to say, what are known as German spirits generally in this country) obtained from?—Principally potato and beet.

1264. When is potato preferred for the manufacture of plain spirits imported into this country?—Potato is preferred when the spirit produced from it is required for other purposes than methylating.

1265. That is when it is to be in a state of high purity?—When it is to be in a state of high purity.

1266. Why is that?—The reason is, that the odour from the beet molasses clings to the spirit distilled from it more persistently than does the odour from the fusel in the potato spirit.

1267. That is to say, in the distillate that it distils, the odour of fusel oil is more readily got away from potato spirit than from molasses?—Quite so.

1268. When spirit is distilled abroad, what does it come over in regard to proof?—It comes over at first from 40 to 50 over proof, but it is broken down with water to about 10 to 20 under proof.

1269. You mean that it comes over from the still at that strength; not to this country?—Yes, it comes over from the still 50 per cent. over proof; it is then broken down with water to about 10 to 20 under proof; put into charcoal filters, where it is allowed to remain from 20 to 30 hours, and then re-distilled in a Savalle still, coming over eventually from 68 to 70 over proof.

1270. What is the object of using charcoal?—It separates the fusel oil from the spirit.

1271. It has the power of attracting the fusel oil, keeping it back?—Yes.

1272. What is the average strength of foreign plain spirit on being imported into this country?—66 to 70 over proof.

1273. That is a few per cent. higher than British patent still spirit?—Yes.

1274. Does not the high strength over-proof preclude the possibility of much fusel oil being present?—It does almost preclude it.

1275. Why so?—Because the latter portions of the distillate are less rich in ethylic alcohol, and consequently the spirit would be reduced in strength if the distillation were pushed to its last dregs.

1276. Then that you consider is one of the reasons for foreign plain spirits coming to this country in a state of purity?—In a state free from what are called impurities.

1277. From fusel oil and its congeners?—Quite so.

1278. What are the purposes for which foreign plain spirit is imported into this country?—It is principally used for methylating, and for purposes in connection with the arts. Some is also

Chairman—continued.

used in the manufacture of British liqueurs where body is not required, such body being imparted by the liqueuring; and probably some is used for qualifying British wines.

1279. Do you think much of it is used for blending with whiskeys?—I do not; only as a matter of opinion.

1280. Outside the bond; it is not allowed to be used in bond; outside the bond you do not think it is so used?—I am not aware that it is.

1281. You have not found that?—I have not found that.

1282. Do you see any objections to a compulsory retention of foreign plain spirits in bond?—I do.

1283. What are they?—Because from its high strength it would rapidly lose in strength, involving a corresponding pecuniary loss, and would become discoloureed from being long in contact with the cask, and would require re-rectification.

1284. That is to say, it would dissolve some substance from the wood, and become discoloured and require re-distillation?—Yes.

Mr. *Somervell.*

1285. That applies to all foreign spirits?—I do not think it applies to all foreign spirits; only to foreign plain spirits.

Chairman.

1286. Then you think that foreign spirits would deteriorate if kept in bond?—Foreign plain.

1287. What would you think with regard to rum?—I think that rums would improve if kept in bond, but I do not think they would improve proportionately in market value as would pot-still whiskeys.

1288. That the rate of improvement would not be so great?—Quite so. I mean that an old rum has less proportionate value than an old whiskey.

1289. What is the import strength generally of rum imported into this country?—Rums average about 25 over proof.

1290. Do not some of the rums go higher than that?—There are certain exceptions; the strong Australian has been known to run to nearly 43 per cent. over proof, Natal to 41·8, Demerara to 41·2, and Hamburgh to 39.

1291. But you think 35 is a common strength?—Thirty-five is a fair representative average. Some of them are slightly lower; Mauritius would run to 33 per cent.; Cuba to 34.

1292. Have you any idea of the stock of rum in this country?—I am credibly informed that the stock of rum in this country is about equal to one year's consumption.

1293. How are brandies imported into this country?—Brandies are imported in bottle, in which case they are generally from 14 to 15 under proof. These brandies are mostly from 5 to 10 years old; sometimes considerably older. That imported in cask is from three under to five over proof. It is impossible to say the age of

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Chairman—continued.

of that imported in cask; there is a great deal of it that is matured on the other side.

1294. The stock of cask brandies not being kept in this country?—Principally on the other side.

1295. Would brandies imported in bottles improve by being kept in bond?—No; not sensibly.

1296. Would cask brandies, if compulsorily retained, improve by keeping in bond?—Undoubtedly.

1297. But, supposing they were already old?—I know no limit of age, within reason, beyond which they would not improve.

1298. The very old brandy is better, you mean?—Quite so.

1299. The same would apply to whiskey?—Yes, I have no doubt it would.

1300. Would it have any effect, supposing that bottled brandy was released, and not kept in bond, but that brandies in cask were kept in bond; would that lead to any interference with trade in this country?—I should think it highly probable that less brandies would come in cask, and that what did come in cask before and is now bottled here would be bottled in France.

1301. Is the bottling trade in this country an important trade?—A very important trade.

1302. How do the Genevas come to this country?—Most of the Genevas that are consumed in this country come in bottles varying in strength from 14 to 18 under proof. Some Genevas are imported in cask, but most of these are re-exported. The strength of the Geneva imported in cask is about from two to three over proof.

1303. Would bottled spirits of the Geneva type improve by compulsory retention?—I think not.

1304. They are made from a highly rectified spirit originally, are they not?—They are.

1305. Would there be any difficulty in allowing British and foreign plain spirits to be blended together in bond for home consumption?—The difficulty lies more or less in the general spirit of the regulations. No British spirit is allowed to be blended in bond for home consumption with any foreign spirit, nor is a spirit of one tariff denomination allowed to be blended in bond for home consumption with a spirit of another tariff denomination.

1306. Is there not a differential duty between foreign spirit and British spirit?—There is.

1307. How much does the foreign spirit pay?—10 *s.* 10 *d.*, and British spirit 10 *s.* 6 *d.*

1308. At least it will pay 10 *s.* 6 *d.*?—It is doing so now.

1309. Under the last Budget?—Yes.

Mr. *Somervell.*

1310. A differential duty of 4 *d.*?—Yes.

Chairman.

1311. Would it produce any complexity in the accounts if they were blended together?—Very great complexity.

1312. Do you think that the tariff description of spirit is a sufficient and efficient one?—I do not think that the tariff description of British plain spirit is either a satisfactory or a sufficient description.

1313. Or the description of foreign plain spirit?—I have no objection to the tariff description of foreign plain spirit.

1314. What is that definition?—The definition of foreign plain spirit is "spirit, unsweetened, unenumerated." That means that it is outside those others that are enumerated, such as brandy, rum, and so on.

1315. What is the tariff description of whiskey?—"British, plain."

1316. But does not it confound together pot-still whiskey made from grain, and rectified spirits made by patent stills?—It does; it includes the two, which, in my opinion, are entirely distinct things.

1317. They are distinct articles?—They are distinct articles.

1318. Now, have you examined lately, with greater care, the proportion of fusel oil in the samples of spirits of rum, of brandy, and Geneva, imported into this country?—I subsequently examined 11 further samples of spirits by separating the fusel oil from them with chloroform. I am not so satisfied that the system is more effective than the permanganate; but the results of these 11 spirits, all of which, with the exception of one, represented importations of the present year, gave less than 1-10th of 1 per cent. of fusel oil.

1319. And that you think is a fair statement as to the foreign spirits. It is in evidence that very nearly the same per-centage of fusel, 1-10th to 2-10ths per cent. of fusel oil only, exists in whiskeys; do you think that that is a fair representation of the foreign spirits proportion?—I do.

1320. Have you made any experiments on the effects of adding fusel oil artificially to different spirits?—I have. I obtained two samples of brandy which qualitatively gave traces only of fusel. To these two samples I added 3-10ths of one per cent., and 1-10th of one per cent. respectively of commercial fusel; I also added the same percentages to two samples of highly rectified plain spirit.

1321. Would you show us the samples?—(*The Witness did so.*)

1322. The general result of your addition of fusel oil to spirit is that 3-10ths of one per cent. gives a spirit of an obviously objectionable odour?—Three-tenths gives a spirit of an obviously objectionable odour. The 1-10th can be readily detected in a spirit.

1323. Can be detected by the senses without the aid of chemistry, you mean?—Quite so.

1324. Has not commercial fusel oil now become a subject of importation into this country?—It has.

1325. When is it allowed to be imported duty free?—When it contains less than 15 per cent. of spirit.

1326. What is the market value of the fusel oil when imported into this country?—About 17 *l.* per ton.

1327. What is the market value of foreign plain spirit when imported?—From 12 *l.* to 13 *l.* per ton.

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Chairman— continued.

1328. Does it not follow from that, that the foreign distiller finds it to his advantage to extract fusel from spirit and sell it at the higher price, rather than leave it in the spirit?—It does.

1329. Now can you tell us the uses to which fusel oil is put in this country?—Fusel oil, when imported into this country, passes into the hands of chemical manufacturers as a solvent of the resin in barks, to makers of essential oils and to varnish manufacturers. So far as I am aware it is not used at all in confectionery, until it has undergone a chemical change, and been turned into acetate.

1330. But as fusel oil is chiefly amylic alcohol, is not the amyl actetate used for flavouring purposes or for aroma?—Amyl acetate is used for aroma and for flavouring purposes.

1331. Is it not sold under the name of essence of Jargonelle pears?—It is; it only possesses this pleasant odour, not in its strong spirit, till it is mixed with spirits of wine or ordinary spirit.

1332. When it has been largely diluted with alcohol?—Yes, when it has been largely diluted with alcohol.

1333. As you have attended to the subject of the effect upon health of spirits containing fusel oil, are you aware of the researches of Strassmann upon this subject?—Yes; Strassmann, as the result of resent experiments, states, "that dogs fed with alcohol containing 3 per cent. of amyl alcohol——"

1334. That is practically fusel oil?—That is fusel oil. "That dogs fed with alcohol containing 3 per cent. of amyl alcohol very soon had nervous complaints and died in about half the time that dogs fed upon pure alcohol did; with over 1½ per cent. of fusel oil the nerves were more strongly affected, but duration of life was not shortened compared with the use of pure alcohol. That three-tenths per cent. of fusel oil would show no more injurious effects than would pure alcohol."

1335. That is to say that Strassmann thought anything under three-tenths of one per cent. did not do injury to health any more than pure alcohol did injury to health?—That is what I conclude from the experiments.

1336. He is a German chemist?—Yes, I can put in an extract to the Committee from Strassmann (*handing it to the Committee*).

1337. I want to ascertain whether you have made any experiments upon yourself in corroboration of this?—I have.

1338. Will you state what they are?—If you will allow me, I will just read from a statement which I have drawn up. To test the truth of Strassmann's experiments we procured a 15-years' old brandy (under the idea that it would in itself be likely to be perfectly wholesome, and we may here say that subsequent test proved it to be so free from fusel oil, that we calculated there could not be more than 3-100ths per cent. present in it) of a strength of 22·4 under proof. To this we added 7-10ths per cent. of the sample of commercial fusel which the Committee have inspected, but as this sample contains a small portion of ethylic alcohol (under 15 per cent.) we estimate the amount of the actual fusel added as 6-10ths per cent. On Sunday the 13th, and up to Thursday the 17th, inclusive, for five days I consumed four fluid ounces per day of this mixture.

Chairman—continued.

1339. That is to say six times the strength that it is in ordinary foreign or in British spirits?—Quite so. I consumed them between meals; the only other alcohol taken during these days being three pennyworth of ordinary brandy at luncheon time. I did not experience the slightest ill effects as far as I could judge, and the experience differed in no way, except as to the unpleasantness of the taste from that of ordinary whiskey or brandy. The food was well digested, and the urine normal in quantity and acidity.

Mr. *Somervell.*

1340. What amount of brandy had you at lunch, about a liqueur glass?—Less than a liqueur glass.

Chairman.

1341. Taking the average quantity of fusel oil you took in this brandy, what would that amount to per day if you had taken it as pure spirit?—It would have amounted to 24 ounces of ordinary new spirit, as far as the amount of fusel oil contained in 24 ounces is concerned.

1342. You took four fluid ounces, and that is equivalent to six times the amount which you had been taking in spirit with its ordinary adulteration?—Estimating that the other contained 1-10th of one per cent., which apparently is the general estimate.

1343. What would 24 ounces be in ordinary commercial glasses?—Twenty-four ounces would be three ordinary medical 8-ounce bottles full.

1344. Now, did you make any experiment with rectified plain spirits, without any fusel oil?—I did.

1345. Reduced to the same alcoholic strength?—Reduced to the same alcoholic strength.

1346. When did you begin these experiments?—Will you allow me again to read: I ceased the experiments with the brandy and fusel oil on Thursday evening last, and on Friday at 4 p.m. I commenced drinking a highly rectified foreign plain spirit, which I had reduced to the same alcoholic strength as the brandy in the former experiment, viz., 22·4 under proof. I consumed four fluid ounces of this on Friday evening, the same quantity on Saturday and on Sunday, and was continuing it on Monday (yesterday). My experience with this has been that, before noon on Saturday, a head-ache supervened, which remained with me up till last night. It was with me this morning, and has gone off since this morning. About the same time I began to experience a tightness across the chest, and was suffering from the usual signs of an acute attack of indigestion.

1347. This was plain alcohol without fusel oil?—Pure alcohol and water.

1348. You have not had time to add a little fusel oil to that to see what would be the effect?—I had not; I ceased that last night.

1349. Do you think it would be desirable that these experiments should be repeated by others, lest there should be any idiosyncrasy in your own

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Chairman—continued.

own case?—Quite so; there may be a constitutional idiosyncrasy in me.

1350. But you think that the experiments are well worthy of being repeated?—Quite so.

1351. What were these experiments undertaken with a view of?—Obtaining personal experience as to the effect on the constitution of these different spirits.

1352. Of spirits freed from so-called impurities, as compared with spirits containing moderate proportions of them?—Quite so.

1353. And at present you are not inclined to think that pure alcohol and water is a better drink than whiskey and water?—I think it is a worse drink,

1354. I think your own personal view then is that a small proportion of what are called fusel oil impurities, have rather a favourable effect than otherwise upon digestion?—I think it has.

1355. In small proportions?—In small proportions. I think the presence of them is essential for the full development of the natural properties of the spirit.

1356. That is to say, the natural properties of the spirit as a beverage?—As a beverage.

1357. Then what do you think is the value of bonding whiskeys containing a small proportion, not exceeding two-tenths of 1 per cent. of fusel oil?—I do not think there would be any great gain in bonding them. You said in proportion of less than two-tenths of 1 per cent. The only advantage is, that as far as I can judge, the bouquet and fragrant odours would be developed by bonding them.

1358. You think it is a question of a small proportion of the fusel oil being converted into aromatic ethers?—I do.

1359. Have there been any experiments with spirits at different stages of its age, in the case of the same spirit?—None that I aware of; and I consider that experiments of that kind are the only valuable experiments that could prove the changes that are undergone in a spirit.

1360. That would require considerable time to perform?—It would require from two to three years, because you must start on one spirit and follow it in its different stages.

1361. Are you aware of any experiments or medical opinions, showing that the presence of the matured ethers in spirits assists in the assimilation and digestion of the food?—I cannot put my hands on any evidence of that description, but there remains in my mind the general impression that I have read such things.

1362. You now ask leave to put in a table of the experiments that you have made?—Yes. (*The same was handed in*, see *Appendix.*)

Mr. *Healy.*

1363. I would gather from your evidence that you do not quite concur with the view which it seems has been presented by Dr. Bell?—On which point?

1364. For instance, one would rather think, from Dr. Bell's evidence, that what is called the pure spirit is the best beverage?—I do not agree with that.

1365. And, thererore, I would gather that you think there is a fallacy in presenting to the Committee analyses demonstrating that German

Mr. *Healy*—continued.

spirits are what is called purer than, we will say, native spirits?—I do not think there is a fallacy in stating that German spirits are chemically purer than native spirits. I draw a distinction between chemically pure and pure so far as the health is concerned.

1366. Do not you think that the word "pure," in that phrase, is liable to mislead the public in that way?—I think it is liable to mislead the public.

1367. Did your experiment extend to the drinking of German spirits?—The rectified plain spirit which I did drink was a German spirit.

1368. And the result was headache?—And the result was headache.

1369. You have kindly stated that you think the present tariff description is unsatisfactory?—Yes.

1370. Since when has the Customs or Excise adopted the phrase "Plain British spirits," as applied to all classes of whiskeys and German spirits?—The Excise had adopted this tariff description, so far as I am aware, when whiskeys were first introduced, and pot-still whiskeys alone were known and the highly rectified ones unknown. Whiskeys are known commercially as pot-still spirits, and British plain as patent-still rectified spirits.

1371, And you think it would be desirable to assimilate the tariff description to the trade description, or, at any rate, to change the tariff description?—I think if there is any objection to the present system a change would not be undesirable.

1372. And you are aware that complaint is made of the confusion created by the tariff description?—I am aware that there is confusion between the tariff description and the commercial description.

1373. And that that is the cause and the subject of complaint?—I have only attended this Committee on the last occasion, and I have not read the evidence, so that I do not know further than that.

1374. If a distinction is to be drawn, the distinction would have to be, I imagine, between a whiskey and a plain spirit?—Quite so. The tariff description of plain spirits is "spirits such as are in their original state, and have had no flavour communicated to them." That is the Excise description of a British plain spirit.

1375. Is that a fair description of whiskey; that includes whiskey and rectified spirits, both of them coming under the same heading.

1376. Is that a fair description of whiskey?—Not in accord with the commercial description. It is a literally true description of whiskey, inasmuch as no flavour has been actually added.

1377. Can you at all tell us when this phrase "British plain" was first adopted?—I have never been able to trace any tariff so far back that I have found any different description.

1378. It must have been at a time when "British plain" only could have meant whiskey?—Quite so.

1379. And then subsequent changes in commerce produced another class of spirits, and "British plain," which originally meant whiskey, has now come to mean any kind of spirit, as well as whiskey, that is to say, any kind of native spirit?

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Mr. *Healy*—continued.

spirit?—Any kind of native spirit to which no flavour has been communicated or added.

1380. That is to say, no extraneous flavour?—Yes.

1381. Have you at all considered the question of mixing in bond the real plain spirits, say silent spirits and whiskey?—I have only considered the question from the point of view of excluding foreign plain. I think that, scientifically, there could be no greater objection to excluding foreign plain than there could be to excluding British plain, or to allowing either

1382. And the objection to the mixing of foreign plain, in bond, is the 4 *d.* differential duty?—That is one of the objections.

1383. Your answer is that that is one of your official objections?—Quite so.

1384. Do you know any other?—The regulations are drawn up on the principle that a foreign spirit is not allowed to be mixed with a British spirit, nor is spirit of one tariff denomination allowed to be mixed with spirit of another tarriff denomination for home consumption, in bond I mean.

1385. Can you conceive the principle on which this rests, apart from the 4 *d.* differential duty?—It is a subject I have never thought of.

1386. There is no statute on that?—I am not aware of any.

1387. And therefore, as far as we know, except for the 4 *d.* differential duty, unless German spirits are forbidden for reasons of health, you can find no other?—I can imagine reasons in my mind; whether they are true or false I do not know.

1388. Would you like to give them?—If that principle were admitted there is no reason why a rum, which has no colouring matter in it, such as that rum (*exhibiting a bottle*), should not be mixed with a British plain spirit. That is a Natal rum; there is no reason on the same principle why that should not be mixed.

1389. What would be the objection to mixing it?—The protection of the British public.

1390. And the reason of that protection is to prevent fraud upon the public?—I can imagine so; I do not say that it is the reason.

1391. Following up that analogy, would it not equally prevent a fraud upon the public if you were to forbid the blending in bond of a cheap British plain with a costly whiskey?—I think it would.

1392. And consequent upon that, we may take it that the existing blending system lends itself to fraud?—So much so, as the difference of the value between a patent still and a pot-still whiskey.

1393. And the bonding system, or the blending system, enables a cheap spirit and a dear spirit to be mixed together, and sold to the public as a dear spirit?—Quite so.

1394. Are you aware that that proceeds to an enormous extent?—I believe it does.

1395. I suppose we could have officers here from some of the principal ports, such as Belfast, Dublin, and Glasgow, and I suppose London, to some extent?—You can have them by calling for them.

1396. We can easily ascertain what is the amount of spirit that there is in bond?—It could be ascertained from returns, if they are called for, how much blending of a British patent-still spirits and of pot-still whiskeys occurs in Customs bond.

1397. Do you know whether your department, or the Excise, keep a return of blended spirits?—There is a record of every operation kept.

1398. Then we can capture the gallonage?—I think it could be captured.

1399. And I suppose in the same way that record would extend to showing what are the makers' names of the spirits which are blended; I suppose that record goes to that?—I do not think so; I think the last owner is the last record, and not the maker.

1400. Then, does it go to the price of the stuff; does the record show, for instance, whether a shilling whiskey is being blended with a 3 *s.* whiskey, or a 1 *s.* 6 *d.* whiskey with a shilling whiskey?—It is no record whatever of values.

1401. I suppose there is not much blending going on in the Customs bond?—I cannot say; I should think there was a fair amount, but how much I cannot say.

1402. Did you give evidence before the Merchandise Marks Committee?—No.

1403. Or the Hop Committee?—No.

1404. Is it not the case that either your department, or the Excise Department, keep a detective staff, and that they require samples to be continually sent in for the purpose of checking the adulteration of beer?—That is the case with the detective department of the Excise; but we have only to deal with beer on importation, and not with British spirits, so that we do not have that matter under us as far as beer is concerned.

1405. Can you say whether there is any detective department, either in the Customs or in the Excise for whiskey?—There is no detective department in the Customs, and I think I may say, with a certain amount of assurance, that there is none in the Excise as regards whiskey.

1406. Is not the practice this, to require samples of beer to be sent every three or six months from all parts of the country by the officers?—I believe so.

1407. That is not done with whiskey?—Not that I am aware of.

1408. You stated that, in your opinion, the the German spirit if kept in bond for one or two years would deteriorate?—Yes.

Mr. *M'Ewan.*

1409. Not in quality?—I stated that there would be a great amount of loss of strength, and, therefore, a corresponding pecuniary loss to the owner, and that the spirit would become discoloured from contact with the cask, and would require rectification before becoming marketable.

Mr. Healy.

1410. To some extent, would it not rancify, if one may coin a phrase?—I did not mean to say

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Mr. *Healy*—continued.

say that. The colouration from the cask would not make it rancid.

1411. But is it not the fact that this particular class of cheap spirit which we are told is so pure, is of such a character that if kept, if not consumed quickly, its deterioration becomes immediately so marked as that it becomes commercially unsaleable?—I am not aware of such a thing.

1412. What does the phrase "deterioration" point te principally, discolouration?—Principally discolouration; it takes a brown colour up from the cask.

1413. That is what you give to a true whiskey?—But a foreign plain spirit loses in value from the colour.

1414. Why should it?—That is a market question. But it would not be bought and fetch so much money if it were coloured from the cask.

1415 Although that is the reason why in the case of true whiskey they buy sherry casks for the purpose of producing colour?—But the uses to which that foreign plain spirit is put are principally methylating uses, and they desire for those purposes to obtain a spirit free from discolouration, because it is more beneficial in the arts.

1416. Apart from discolouration, does the German spirit deteriorate by keeping?—I have known individual samples of German spirit deteriorate simply by age, but I have been always under the impression that those spirits were spirits that had not been properly rectified.

1417. But we were told, as I understand, that the process in Germany was of the very highest kind, and that great care was taken in the manufacture of the German spirit?—Quite so; but as much care is not taken (as put on record) with spirits that are intended for methylating as with spirits that are intended for other purposes.

1418. Do you go so far as to say that it makes little difference what a whiskey or spirit is distilled from provided you have it what is called pure?—I think it does make a difference what it is distilled from, inasmuch as in my opinion the whiskey, as distinguished from the patent-still spirit, obtains a flavour from the substance from which it originally originates (I am omitting the intermediate stage).

1419. Do you think it is possible, commercially speaking, with our known systems of distillation, a matter of indifference what the product is from which the spirit comes?—As far as I am myself personally concerned, it would be a matter of considerable difference to me.

Chairman.

1420. Are you speaking now of spirits, or of whiskey?—Whiskey, I understand.

1421. You are not speaking of plain spirits?—No, not plain spirits; I am speaking of whiskeys.

Mr. *Healy.*

1422. Will you go the length of saying that in the case of plain spirits the methods of distillation are so good as to make it a matter of indifference, on the ground of health, what is the base of distillation?—I never had experience with British patent still and highly rectified spirits, but I have no reason to doubt that they are practically identical with foreign plain spirits.

Mr. *Healy*—continued.

1423. That being so, do you think it is a matter of indifference what the base of the distillation is?—I have no doubt that there it is a matter of perfect indifference.

1424. I wish to put the question to you in this way: considering the known methods of distillation, and the imperfections of all human manufacture, do you think it is a matter of indifference what is the base of distillation?—I think the difference, as the spirits are produced, and with the known purity of them, is so small as to be perfectly infinitesimal.

1425. Then you think, I may gather, that the patent-still method of distillation is so correct as to make it a matter of indifference what the distillate is from?—It appears to me to be so in the main, because the spirit itself is almost a neutral spirit, practically a neutral spirit.

1426. And therefore, if you are dealing with British patent-still whiskey, you would as soon drink British patent-still whiskey distilled from potatoes as from malt?—Practically, I would; I think the difference would be so small that it would be indifferent to me.

1427. And, accordingly, it is no advantage whatever to a patent-still distiller, in your opinion, to distil from malt a grain, if he can get a cheaper material?—Not from grain; certainly not.

1428. It makes no matter?—I should say not.

1429. Do you concur in the statement or suggestion that patent still spirit in no case improves with age?—I never knew a case of its improving with age.

1430. I should like to know whether you have examined (I have no knowledge myself on the point), but have you ever examined the price lists of patent-still spirit, say a year old spirit price list, and a five years' old one?—I do not know the prices.

1431. You do not know whether a patent-still spirit with age is dearer than a new one?—I do not know the price of a patent-still spirit at all for certain; I imagine that it begins at about 2 *s.* a gallon (*the Witness referred*). I have got a note. I see that it is 1 *s.* 5 *d.* a gallon; that is what it begins with.

1432. With regard to rums, have you experimented on rums?—I have.

1433. Did your statement to the Chairman embrace rums?—Yes.

Mr. *Somervell.*

1434. What is it that gives the peculiar flavour to a spirit; do you think that entitles it to be called whiskey?—I think the peculiar flavour is derived in whiskey from the husk or skin of the malt; that is a matter of opinion.

1435. And grain being distilled in a patent still would not produce spirit with the flavour of whiskey?—A grain spirit distilled in a patent still would be in a different position from a grain that had been malted, and would not give that flavour to anything like so marked an extent.

1436. It would be practically a silent spirit?—Practically a silent spirit.

1437. Do you think it possible that the difference in the effect upon health between a malt

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Mr. *Somervell*—continued.

whiskey and another spirit may be owing to some action produced by the fact of the grain, the barley, having been malted?—I think that that probably is the original cause, but not the immediate one.

1438. It is the primary cause, you think?—Yes, it is the primary cause.

1439. So that you would rather incline to the view that any spirit distilled from a material which was not malt, would have a different effect upon health from a spirit distilled from malt?—I have no absolute reason to assert that, but I should be disposed to believe so.

Chairman.

1440. But would you suppose that in the case of brandy distilled from wine; would you suppose that brandy distilled from wine might not be the same thing as whiskey distilled from malt?—No. I understand the question to be spirits distilled from grain as distinguished from that.

Mr. *Somervell.*

1441. I meant to include beet in my question, not brandies?—I understood you to mean so.

1442. Then just to make it clear, I will put the question in this way: You would rather be inclined to the view that the effect upon health of a pure brandy, as distinguished from an artificially flavoured brandy, would also be owing to the fact that that pure brandy was distilled from the grape?—Owing to its origin.

1443. Taking it broadly, you consider that the origin from which a spirit is distilled is very material so far as health is concerned?—Drawing a line at where the rectification has taken place, so as to exclude other substances; I mean drawing a line where the rectification has not been so highly carried on that it contains nothing else but ethylic alcohol and water.

1444. Then, to put that clearly, you think that if a whiskey or a brandy was taken and rectified, so as to bring it practically to a silent spirit, then it would have the same effects upon the constitution as a pure alcohol produced of other material?—I am decidedly of opinion that it would.

1445. So that in your view, I think, viewing it as a question of health, it is a wrong basis to proceed upon to treat a spirit as healthy or unhealthy from the chemical point of view, according to whether there is pure ethylic alcohol or not?—It is.

1446. There have been no experiments conducted, so far as you are aware, to tell the great effect upon health of the matured malt distilled alcohol, of matured whiskey, as distinguished from that spirit newly distilled?—I have no doubt that there have been experiments, but I am not aware of them.

1447. Beyond drawing the distinction which you have drawn as to the importance of the origin of the material, you are not prepared to say how much importance, from the point of view of health, should be attached to a whiskey or a brandy, according to whether it has been aged or not?—I can give no opinion on that.

1448. You can give no opinion from the point of view of health?—Quite so; that is to say, I have never experimented by drinking a new spirit as against an old one.

Mr. *Somervell*—continued.

1449. I do not know whether you have experimented or not, but I suppose in the case of wine, especially of champagne, for instance, you would admit that there is a great difference in regard to health between drinking a new one or one that has been aged?—I believe there is.

1450. And you say that although the chemical changes would be different in the case of spirit from those which occur in the case of champagne, it is possible that, especially when it is kept in wood, and so to a certain extent is exposed to the atmosphere, certain chemical changes might take place in the spirit that would make it more healthy, or cause it to have a different effect?—I have never had any doubt as to that, though I have had no experiment in regard to it.

1451. But you are of that opinion?—I am of that opinion.

1452. Of course, when a spirit has been bottled and sealed it remains absolutely stationary, no change takes place?—Quite so; and for that reason I am distinctly of opinion that whiskeys or pot-still spirits in cask do improve, because we all know that in the early stages of their preparation they smell impure, and that at subsequent stages they do not smell impure, and that though the spirits may have been the same in the one case, when put into a bottle, they do not alter, and in the other, when put into a cask, they do alter; and as they contain the same substances, it appears certain that the oxygen of the atmosphere must have had the effect of changing this objectionable smell, or flavour, or whatever you like to call it.

1453. And probably must have had the effect of changing the character of those substances, because in altering the smell it would necessitate, to a certain extent, an alteration in the character of the substances, though the substances remain the same so far as the chemical analysis shows?—Undoubtedly it would affect the character of the substances.

1454. I think you spoke about the 4 *d.* differential duty; is it not the case that that 4 *d.* differential duty is paid, even upon German spirits that are used for methylation in this country?—It is paid upon spirits used for methylating purposes as well.

1455. That extra 4 *d.* is paid upon all foreign imported spirits?—Quite so.

1456. So that if there was to be a mixture there would be no practical difficulty in dealing with it, because as it has to pay 4 *d.* duty, whether it is used for methylation or not, that 4 *d.* duty might be imposed on it when it was imported into bond in this country at once, might it not?—I do not think it would be; it would involve a considerable outlay of money and capital.

1457. I will put it in this way: that at any rate it might have been made compulsory that that 4 *d.* should be paid before it was mixed, if it was to be blended in bond; that that 4 *d.* should be paid prior to bonding?—I think again, no, because you pay the duty on spirit for the strength per proof gallon when it goes out of bond,

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Mr. *Somervell*—continued.

bond, and this foreign plain which you describe mixed in bond, might not be taken out of bond till 10 or 12 years subsequently, when the quantity for duty would be considerably diminished.

1458. But I gathered from your evidence that this foreign spirit did not improve with aging?—Quite so.

1459. And, therefore, there would be no object in blending it and detaining it in bond, for from 10 to 12 years; there would be an object in blending it till it was going into consumption in a very short period?—I do not think anything I have said assumes that if blended with a malt whiskey it would prevent the malt whiskey portion of it improving, and therefore the whole improving.

1460. I was rather looking at it from the point of view of drawing a line; I was rather taking your view, that the origin of the spirit of the alcohol was the material point, and that while it might be advisable to prohibit the blending of any other alcohol with a malt spirit, there might be no objection to blending a silent spirit distilled abroad and a silent spirit distilled in this country?—That is a distinct question.

1461. That was the object of my question; I do not think you quite gathered that?—No, I did not understand that.

1462. I meant to say this: Assuming that a patent still spirit, whether distilled abroad or distilled in this country, and irrespective of the material, were treated as one class of spirit, and the malted spirit treated as another, there would be no practical difficulty in permitting the blending of the foreign and of the British patent spirit in bond?—I see no scientific objection.

1463. I did not mean a scientific objection, but practically, in regard to this 4 *d.* duty, there would be no hardship in imposing a 4 *d.* duty upon it before it was blended?—I see no scientific objection to it. As far as I am aware, there is no practical objection, presuming that the trade were satisfied with paying the 4 *d.* when it was brought in; in fact, I should say it would be very advantageous to the Government.

1464. It would be advantageous to the Government to permit it?—I should think that they would get more duty, because they would be receiving money on something that volatilised.

1465. Admitting that as a question of health the origin of the material from which alcohol is distilled is important, do you consider that it would be advisable to discourage the blending of a silent spirit with a malted spirit in the interests of health?—Admitting the importance of the origin of a spirit, speaking of it as a spirit for a beverage or a stimulant, I think on the question of public health that it would not be wrong to discourage the mixing or blending for home consumption of a patent spirit and a malt spirit, a pot-still spirit.

1466. So that looking at it entirely from the point of view of public health, you would not be disposed to object to any impediment, such as the imposing of a 4 *d.* duty immediately, so as to discourage as far as possible in that way the blending of this silent spirit with the malt spirit. You consider that if a silent spirit paid 4 *d.*, and

Mr. *Somervell*—continued.

then was blended with a malt spirit which was kept 10 or 12 years, that would be a considerable addition to the expense of the silent spirit?—Yes.

1467. Viewing it from a public health point of view, that would not be a disadvantage?—I do not think it would be a disadvantage to discourage the mixing in bond of either British or foreign plain spirit with pot-still spirits.

1468. And then, do you consider that it would be advisable that any person selling a patent still spirit, or a blend of patent still spirit and malt spirit, should be obliged to give the customer notice of that fact?—I have no faith in the Adulteration of Food Act as carried on in that direction.

1469. But still you consider that mixing a malt whiskey with other spirit is an adulteration of that whiskey?—I think it gives a false description to it.

1470. It makes it more injurious to health?—I am of opinion that it is not so wholesome as the pot-still whiskey; I wish to distinguish between that and "pure," because the other is supposed to be pure.

1471. I am taking it from the public health point of view entirely, not the chemical point of view; and viewing it from that point of view, it would be an adulteration to mix a malt whiskey with any other spirit?—Practically, it amounts to an adulteration from this point of view, that you are mixing something cheap with something dear.

1472. And something healthy with something that is injurious, so far as your practical experience goes?—Yes.

1473. And, if the Food and Drugs Act could be applied to prevent that it would be in the interest of the public, would it not?—If it could be.

1474. I am not saying that it could, but in your opinion it would be in the interest of the public that it should be applied, if possible?—If possible.

Colonel *Hill*

1475. Am I right in understanding you to say that fusel oil is the only injurious ingredient in spirits?—Fusel oil consists of several substances.

1476. They all come under the term fusel oil?—Fusel oil is generally supposed to be the only thing that is injurious to spirits.

1477. And, in your opinion, spirits that do not contain it are wholesome?—In my opinion, spirits that consist only of pure ethyl alcohol and water would not be wholesome.

1478. Therefore, you consider that a mixture of pot-still whiskey is a wholesome beverage?—I decidedly consider it more wholesome.

1479. And do you consider that it is improved by the addition of German spirit?—Certainly not by the addition of any spirit that is a plain rectified spirit.

1480. Is it a fact that pot-still whiskey is free from acid?—I cannot answer that question definitely; I think it would be.

1481. And would the silent spirit be also free from acid?—Yes.

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Colonel *Hill*—continued.

1482. Then you do not agree with the opinion expressed here the other day that pure patent still spirit is quite as good as old whiskey, and that it would be throwing away money to buy old whiskey when you can get the other?—Not for purposes of drinking or of health.

1483. As regards rum, do you consider the rum imported from the sugar-cane countries to be a wholesome spirit?—Very wholesome.

1484. And do you consider that in mixing silent spirit with that, such spirit as comes from Hamburg under the designation of rum, that improves it or deteriorates it?—I should think that it deteriorates it.

1485. And do you consider that a mixture of rum from the cane-growing countries with the Hamburg rum, which contains a very large proportion of patent spirit, is a right thing to permit?—I do not think it is an advantageous thing.

1486. Do you think it has any right to retain the appellation of rum?—I think it should retain the appellation of mixed spirits; that is to say, that the definition of mixed spirits would be a more correct one to apply to it.

1487. In reply to my honourable friend, you said just now that you considered that whiskey blended was falsely described as whiskey?—If blended with a highly rectified plain spirit.

1488. And also rum would be falsely described under the same circumstances?—I should say it would be wrongly described.

Mr. *M'Ewan.*

1489. I think you said that you consider pot-still whiskey more wholesome than patent-still whiskey?—I did.

1490. Did you come to that conclusion on account of the experiments you made on your own person?—Perhaps I may explain a little more why I made these experiments, and that might answer your question. It occurred to me, as it must have done to other people, why, when you are ordered the best of spirits by a medical man, if rectified plain spirits are this pure spirit, and the purest form of spirit, he should not order you pure ethyl alcohol and water; and it was that reason that led me originally to try that experiment; because there appeared to me to be *primâ facie* ground for assuming that it was not so wholesome as pot-still spirit.

1491. I suppose, in talking of the relative wholesomeness of the two spirits, you are having, in your mind, a new patent-still whiskey in comparison with an old pot-still whiskey?—I could not say the age of the patent rectified spirit that I tried, but I should say it was not more than a year old.

1492. But you consider that a patent still whiskey does not improve by keeping?—Just so.

1493. And therefore it is immaterial whether it was new or old?—Quite so, when highly rectified.

1494. But in speaking of pot-still whiskey do you speak of a new pot-still whiskey or an old one?—I spoke of an old pot-still whiskey; that is to say I had one in my mind.

1495. In fact, a pot-still whiskey, which by keeping had been brought almost to a state of

Mr. *M'Ewan*—continued.

purity equal to the patent still whiskey?—Keeping does not bring it to a state of chemical purity equal to that of the patent still whiskey.

1496. No; but apart from that, does it not improve it?—It forms ethers and other things that the patent still whiskey is entirely free from.

1497. You stated in evidence that German spirits deteriorated by keeping; did you mean by that, that it deteriorated in a different way from British plain spirit?—I meant that German or foreign plain spirit deteriorated in pecuniary value more than does British plain rectified spirit, because it is of a rather higher strength than British spirit, and it would naturally lose more in strength.

1498. But you did not use the word "deteriorate" to indicate that the quality of the spirit had deteriorated?—Not in the case of a perfectly pure one.

1499. In fact, you would consider that potato spirit and grain spirit of the same strength would be affected exactly in the same way by age?—If perfectly purified I should expect them to be so.

1500. That the fact of the one spirit being made from potatoes would not tend to make any difference?—Not, so far as I am aware, when perfectly purified; it all depends upon that. It appears to me that ethyl alcohol and water, which it must consist of alone when absolutely pure, does not undergo any change or deterioration in the way you speak of.

1501. You do not seem to consider that a small quantity of fusel oil in good malt whisky is very detrimental; would you apply that description to it when it is quite new?—I have not experimented on it when it is quite new, but if it contains only a small proportion I see no reason whatever why it should be more injurious; it might be a little more unpleasant from its newness.

1502. Would you not think that the unpleasantness seems to point to danger?—I do not think so; if you bear in mind that a perfume, when highly concentrated, becomes a stink, and offensive, but when spread out into small and minute quantities it becomes very agreeable.

1503. But it is the prevailing belief that new malt spirit injuriously affects the digestive organs in a way that old malt spirit would not do; do you think that a popular error?—I do not; I think that probably the new malt spirit contains more fusel than the old.

Mr. *Boord.*

1504. We had evidence the last time that the old malt spirit contained more fusel oil than the new?—I heard that evidence given, and I do not think it was conclusive at all on the point, because you neither asked Dr. Bell whether he had examined the same spirit or could give an undertaking that the spirit which was older had not three or four times as much fusel to begin with as the other, the new one; he had not tried; I think the experiment was of no value whatever.

1505. You spoke of the permanganate test, I suppose it is permanganate of potash that you use?—Yes.

1506. Did you ever use ammonia as an agent in testing alcohol?—In testing for fusels I have tried it; I did not consider it satisfactory.

1507. Are

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Mr. *Boord*—continued.

1507. Are yon able to distinguish between a potato spirit and a beet spirit, supposing them to be mixed?—If not perfectly purified. I think, if you allow me, I have some samples here ready. (*The Witness exhibited certain samples.*)

1508. I suppose you mean that you can detect them by the odour?—By the nose when not perfectly purified.

1509. But you have no means of quantitative analysis to show it to you?—None.

1510. Have you examined the fusels from the different sources, potatoes, beet, rice, and so on?—I have never made a separate analysis of the fusels from those sources.

1511. Then, you cannot say whether there is any material difference between the fusel arising from potatoes and the beet as distinguished from grain?—There is a difference in their smell.

1512. But you are unable to say what difference of constitution there may be?—Quite so.

1513. Are you able to attribute to any one of the constituent parts of fusel oil a more deleterious quality than to another?—No; I am unable to separate them. I should say that the fusel oil when it is in the commercial state can be distinguished from its origin as much as malt whiskey can from malt.

1514. But my question was a different one, and was founded on the evidence of last time: Would you attribute to any of the constituent parts of fusel oil, to any one of the higher alcohols, a more deleterious effect than to another?—I am not able to distinguish them.

1515. Is the chief constituent of all fusel oil amyl alcohol?—It is.

1516. You have no doubt about that?—I have no doubt about that.

1517. And that is high in the scale?—I should say from observation and from reading the results of other people's analyses that fusel oil practically contains 4-5ths of amylic alcohol.

1518. And that is one of the highest in the scale?—They go in the scale ethyl, propyl, butyl, amyl.

1519. And then caprylic?—And then caprylic,

1520. So that it is nearly the highest in the scale?—Yes.

1521. You said that the Geneva was highly rectified spirit with juniper flavour added afterwards; how do you know that juniper flavour was added afterwards?—I am not aware that I said "afterwards."

1522. I understood you to say that?—I did not mean to say so, if I did.

1523. Do you know anything of the Customs method of gauging?—I do.

1524. We had it in evidence the other day that they were about to alter their method, and to determine the contents of casks of foreign spirits by weight instead of by gauging as hitherto; what I wanted to know (I do not know whether it is a proper question to ask you) is this: They must either rack the spirit or vat it, in order to get at the contents of the casks?—Quite so.

1525. Do you know whether that has been considered?—I have considered it myself, having heard it raised, but I do not know whether it has been officially considered.

1526. The question I was going to ask you was, would not the racking or vatting of high strength foreign spirit cause loss by evaporation or possibly by discolouration?—Certainly, and I should expect the trade would highly object to it.

1527. That was just exactly what I wanted to get from you. Now, referring to your experiments on yourself, did you consume the four ounces of ethylic alcohol at once or distribute it during the day?—I distributed it between meal times.

1528. And was the effect of headache at once apparent?—It began at about 4 o'clock on Friday afternoon; on Saturday morning I woke up with a most distinct headache, which returned when I was taking some more; I had taken it between times; but again on Sunday morning at 9 o'clock when I was taking it, it bothered me excessively; then I forgot it on Sunday during the day; in fact, I went up to the Custom House to work on some of these experiments and forgot to take it; when I got home at 6 o'clock the headache in a great measure had gone away; as soon as I began taking it again the headache immediately began again.

1529. Have you received any medical training?—No special medical training.

1530. This headache might have been produced by some other cause, perhaps?—Quite possibly.

1531. I daresay you have heard of what is called the maddening effect of new spirits?—I have heard of it. and read of it.

1532. Have you any opinion as to whether that is a correct description of the effect produced by new spirits?—I have no distinct opinion on the question. I have been rather disposed to think it was the quantity, not the quality, that produced that effect.

1533. That is my opinion; I was going to ask you whether you agreed with me?—That is my opinion.

Mr. *Flynn.*

1534. Dr. Bell, on the last occasion, gave us a description of foreign plain spirit, and said that the samples that were analysed were highly purified and, as a whole, remarkably pure. What I want to know is this: what is that definition "pure;" is it a chemical definition?—It means that, they contain nothing but ethyl alcohol and water.

1535. Then I may take it that it is a chemical and technical phrase?—Quite so.

1536. But it does not at all include the health standpoint of view?—Certainly not; sulphuric acid might be perfectly pure, but it would not fulfil the health point of view.

1537. The blending of foreign plain spirit and whiskey is not allowed in the Customs warehouses?—No.

1538. But it is allowed in private warehouses?—I see nothing to hinder it whatever in private warehouses.

1539. As a matter of fact, have you any knowledge whether it does occur?—I have no knowledge on that point.

1540. Would the department have any knowledge?—They could only have knowledge of that

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Mr. *Flynn*—continued.

that kind if any detective or private officer gave it them.

1541. You have said that it would not in your opinion be wrong, from a health point of view, to discourage the mixing in bond of British and foreign plain spirit with a malted spirit?—It is not allowed at present.

1542. But is it not an ordinary custom of trade?—Not in bond; you said "in bond."

1543. In an ordinary warehouse, the mixing of British or foreign plain spirit with a malted spirit goes on at present, does it not? The department allows them to mix with British plain spirit this malted spirit?—Yes.

1544. And you think from the health point of view it would not be wrong to discourage it?—I think so.

Sir *Edward Harland.*

1545. I think we gathered from a previous reply of yours with reference to the difference between rum and brandy in ageing, that they are kept abroad principally in casks, and that you think the probability is that if brandy had to be required to be bonded on its arrival in this country, if it had to be kept for some fixed period, brandy would not be shipped to this country as new brandy?—As bottled brandy.

1546. I mean in place of being kept in the cask in France, do you think that it would come over to this country to be kept in cask, so as to save time?—Certainly not; rather the reverse.

1547. But if brandy is kept in cask in France for five or six years, and then if it had after arrival in this country to be again kept in cask for five or six years, do you think that the manufacturer of the brandy would still continue to keep it in cask in France for five or six years, assuming that five or six years is a sufficient time to keep it in cask?—I think that the manufacturer in France would then at once put it into bottle and pass it over here as old brandy; because that method would offer the greatest profit.

1548. Have you come across any illicit still whiskey?—I do not think I have ever been so fortunate.

1549. So that you have not been able to make any experiments as to its peculiar qualities?—No.

1550. In the experiments you have tried upon yourself, it did not occur to you to try the effect of ether as an intoxicant?—I have heard of the effects of ether, and I have read of them, but it did not occur to me to try it, but if it had I should not have thought of trying it; because to work with it is quite sufficient, without drinking it.

1551. I put the question because it has been reported that there are certain isolated districts in the country where this is used as a beverage?—What I meant to say was that chemists frequently have to work with ether analytically, and they have so much experience of it through their noses that they would object to drink it most probably.

1552. Can you give a definition of Geneva

Sir *Edward Harland*—continued.

gin?—Geneva gin is a highly rectified plain spirit with the flavour of juniper.

1553. I am referring to it as to the name "Geneva" being attached to it; that is to say, we have Hollands gin, and we have British gin?—Geneva, I believe, was the original name from which all these gins subsequently derived their name; it was subsequently altered and shortened to "gin."

1554. Not in any case coming from that part of Europe?—No, nothing whatever to do with that.

1555. A moment or two ago you referred to a new mode of measuring spirits in casks; from the defect in the old system of measuring the casks, from the shape of the cask varying so much, and, therefore, the correctness of the measurement not being so thoroughly reliable; and you mentioned about the quantity being weighed possibly as against being measured or gauged. But how would that affect the higher classes of spirit, seeing that if we charged a sum per lb. or cwt., or whatever the weight might be, it would probably be in favour of the highest class of spirits, that is the highest rectified spirits?—My personal opinion is that such a practice would not be allowed, whether it is proposed or not, and that the revenue does not lose much in consequence of ill-measurement.

Mr. *Somervell.*

1556. You told us that on drinking the German spirit you had headaches, but that was owing to the action of the spirit on the brain?—I assume that everything of that description comes through the stomach; the sensation to the brain comes from the stomach.

1557. But it is the action on the brain that is injurious?—I am not a medical man, and should not like to define the origin of a headache, or the part of the body where it comes from.

1558. It comes from the brain?—It is somewhere near where the brain ought to be.

1559. Would you not be inclined to go to this extent, that anything with spirit which created a headache might have a tendency to produce madness by its action on the brain, at any rate to a greater extent than if it did not have any effect in producing a headache?—As a non-professional man I could say that if a man suffered from constant headache, the effect of it on the nerves might gradually lead to madness.

1560. What I meant was, that a spirit producing headache would have a greater tendency to lead to madness than any spirit which did not produce it?—That I cannot say; I would not like to express an opinion upon the point either one way or the other.

Chairman.

1561. I think you said that 3-10ths of one per cent. of fusel oil in whiskey produced a very unpleasant odour?—I did.

1562. And that supposing that you had a whiskey containing as much as 3-10ths of one per cent. of fusel oil, it would be an offensive whiskey that would require dilution or age?—It would.

1563. Now,

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Chairman—continued.

1563. Now, what would be the effect of adding plain spirit to such a whiskey so as to reduce it to 1-10th per cent., and then to age it; would you call that adulteration?—I should call it adulteration.

1564. Why?—Because it is the mixing of a cheaper article with a dearer article.

1565. Supposing that that mixing is such as to reduce it to one-tenth per cent., and that it would be better for the aging, and would enable the aging to take place more rapidly, would you call that adulteration?—Supposing it did so, you say.

1566. If experiment showed that it did so, and that the trade were blending whiskey with silent spirit in order to reduce the percentage of fusel oil to the amount of 1-10th per cent., which you consider a good proportion, and the *juste milieu*, would you consider that an adulteration?—I should for this reason, that I should consider that the mixing of rectified plain spirits in that way at the time merely spread the 3-10ths of one per cent. over a larger area.

1567. But it is the small proportion of fusel oil which you put at 1-10th per cent. which gives the quality of healthfulness in your opinion?—In my opinion.

1568. If you have 3-10ths per cent., and the trade desire to reduce it to the normal quantity of 1-10th per cent. by a pure spirit, in a commercial sense the prices would be different, but in a health sense would it be different?—I am inclined to think it would be in a health sense, because you would be drinking ethyl alcohol and water only altered in a certain form by the addition of other things.

1569. Altered only to this extent, that you had reduced it from 3-10ths to 1-10th per cent. of fusel oil?—Yes.

1570. If that is done by a pure spirit how can you call that adulteration; you and I being chemists, would you not call that dilution, not adulteration?—Probably it might be considered more dilution than adulteration.

1571. Now, you were asked whether you considered it injurious to blend these silent spirits or pure spirits, foreign spirits, outside bond; could you follow and detect any spirit mixed outside and blended in that way, and say, "That is mixed with foreign spirit"?—I think it would be extremely difficult to do so; almost impossible.

1572. Supposing it was done outside bond?—It would be extremely difficult.

1573. If it were done inside bond you could detect it?—Quite so.

1574. But if done outside bond could chemistry detect it?—I should think it would be extremely difficult. It could not be difficult, in a chemical sense, inside bond, except by seeing it done.

1575. But you have a record of it in bond, and you could tell the public by any marks, "That is mixed with such-and-such a spirit"?—Yes.

1576. But if you are not to allow it in bond, and it is done outside bond, would it not be much more to the damage of the public, if there is any damage at all, that you should prevent the record of that whiskey being known in bond if it was mixed with other spirits?—I do not quite follow the question.

Chairman—continued.

1577. What I mean is this: if it is done in bond, the public, if it is desired, can be told, "This whiskey is adulterated," or "is diluted with so much patent still spirit." That is the record that could be put upon the cask, if it is desirable. If it is not allowed to be done in bond, and may be done outside, there is no record at all?—Quite so.

1578. And you could not detect it by chemical analysis?—Probably not.

1579. Then do you still adhere to saying that you think no blending should be allowed in bond with patent still spirit; because no record would then exist?—I said I did not think it would be a wrong thing to discourage it. I did not say that I thought it should not ever be allowed.

1580. You meant that if it was done it should be marked that that blending has taken place?—It should be marked if done.

1581. It would be an advantage in bond; but if the greater part of blending takes place out of bond it could not be detected?—You would have no control.

1582. And, therefore, as regards the Food and Drugs Act you could not follow it?—The Food and Drugs Act would be practically inoperative with regard to it.

1583. Does the greatest proportion of blending take place in bond or out of bond?—I am unable to answer that question.

Mr. *T. M. Healy.*

1584. May I ask you if any question was put to you with regard to the fraud that is being done to the revenue by the system of measuring German spirits; was not a fraud going on by the system of marks adopted by the Customs as distinct from the Excise?—I do not think there was any material fraud going on.

1585. Are you not aware that the Chancellor of the Exchequer was driven to put a stop to the whole system of gauging or of measuring?—Questions have arisen as to the value of gauging as injurious to the revenue when compared with weighing; but I have seen similar things where spirits have been weighed; cases in which the spirits turned out a greater loss to the revenue on weighing than they did in measuring. It is a moot point altogether, but not a decided point.

1586. Whatever injury did exist, or supposed injury, has been been now checked, I understand?—It has not been yet, and probably never will be. I can say that the merchants would certainly object to having the stuff turned out, because it would be a great pecuniary loss to them.

1587. We were told, as I understand, that the Chancellor of the Exchequer assured the British merchant that German spirit had been gauged, and that in future it would be weighed?—That future has not arrived.

1588. In your view the British merchants who suppose that they have reason to complain will still have that ground of complaint continued?—A note has just been put into my hand informing me that an order is in preparation for this, but it is not yet completed.

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Mr. *Somervell.*

1589. When the Chairman asked you whether you would not rather treat the blending of these spirits by the term dilution and not adulteration, may I assume that by the word "dilution" you meant looking at it from a chemical point of view?—It is an extremely difficult question, if you will allow me to say so; because it depends on whether the addition of a small portion of plain spirit would improve the pot-still whiskey, whether it would leave it as it was before, or whether it would deteriorate it. If it could be proved that it deteriorated it, I should certainly call it adulteration.

Chairman.

1590. But if it did no harm, or if it improved it, you would not consider it so?—I should be more disposed then to call it dilution.

Mr. *Somervell.*

1591. I think you stated that it was impossible to detect by analyses a distinction between malt and patent spirit, when blended for purposes of adulteration?—I did not say that. I said that it would be extremely difficult for the purposes of the Adulteration Act, to detect a blended spirit from a malted spirit.

1592. But would it be difficult to detect a patent still spirit from a pot-still spirit?—I think that would be more easy.

1593. Dr. Bell stated that he analysed 51 samples taken from public houses, and that in his opinion, as the result of that analysis, six were pot still, 38 were patent still, and seven patent still and pot still mixed. That was entirely derived from his analysis, not tracing the origin. Now do you agree that it is possible to hold such a definite opinion from analysis or not?—I have no reason to disagree with Dr. Bell's opinion; I merely said that it would be difficult to detect.

Chairman.

1594. Supposing the 38 samples contained no fusel oil at all, you would say they were patent still spirit?—Yes, it would be my opinion that they were so.

1595. If you found that the other samples contained a good deal of fusel oil, you would say they were whiskeys?—That would be my opinion.

Chairman—continued.

1596. And as to the number of which he said that they were a mixture of both, the fact was that they probably contained less fusel oil than whiskey itself?—No doubt that was the reason of his statement.

Mr. *T. M. Healy.*

1597. Could you tell us whether the chemical tests used in the Customs are the same as are used in the Excise for fusel oil?—Undoubtedly they are, from what I heard Dr. Bell state in evidence the other day.

1598. You would imagine, therefore, that your result would be the same as his?—I have tried all the known processes.

1599. Have you read a book by Mr. Alfred Allan, late president of the society of public analyists, called "Commercial and Organic Analysis"?—I have.

1600. Is it an authority on the question?—It is a good work of reference.

Colonel *Hill.*

1601. I understand that the experiment you made upon yourself was this; you took a foreign plain spirit and mixed it with water, and you found it a headachy compound?—Yes.

1602. Now in blending that with a pot-still whiskey, although from a chemical point of view it may be "dilution," is it possible from a sanitary point of view to call it wholesome?—It does not follow that if a poison is added to another substance the result will be a poison; it might be something wholesome, and in that case you would hardly describe it as adulteration.

1603. If you add to a spirit that you find gives you a headache a spirit that does not give you a headache, there must be a greater adulteration in the blended spirit than before. If you mix a headachy spirit with a spirit which does not produce that quality, you surely produce a compound which is more unwholesome than it was before it was blended?—It does not follow in any way, because if, for instance, you have a perfume and add the essence to it you make it a smell, and it might be more of an essence.

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APPENDIX.

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APPENDIX.

APPENDIX, No. 1

PAPER handed in by Mr. *Herbert Murray*, 15 July 1890.

AN ACCOUNT showing the Quantity of BRANDY Imported into the UNITED KINGDOM in each Year from 1870 to 1889, inclusive, and in the Six Months ended 30th June 1890, distinguishing the Principal COUNTRIES from which Imported.

YEARS.	PRINCIPAL COUNTRIES FROM WHICH IMPORTED.										TOTAL.
	Germany.	Holland.	Channel Islands.	France.	Spain.	Italy.	British Possessions, South Africa.	Australasia.	United States of America.	Other Countries.	
	Proof Gallons.	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*
1870	60,366	20,821	4,889	7,845,800	498	6	145	228	572	9,640	7,942,965
1871	53,098	13,687	2,545	5,153,679	1,954	151	275	294	154	2,731	5,228,568
1872	52,811	23,840	3,590	3,408,774	597	5	786	1,201	9,400	4,291	3,505,295
1873	68,131	26,388	4,993	6,378,398	1,161	16	542	40	384	3,433	6,483,486
1874	96,710	35,680	2,124	3,222,515	333	48	926	9,962	4,093	5,666	3,378,057
1875	85,578	29,809	1,380	3,945,711	1,308	15	514	1,108	302	4,268	4,069,993
1876	82,286	18,130	1,513	7,804,728	400	—	540	724	1,101	3,670	7,913,092
1877	73,454	27,893	1,066	2,851,118	714	—	517	1,513	179	6,243	2,962,697
1878	90,761	25,923	1,224	3,403,250	228	—	343	15	830	6,000	3,528,574
1879	108,419	43,297	2,794	4,861,534	443	621	4,616	15	22	2,907	5,024,668
1880	77,594	60,790	1,522	2,856,333	631	—	353	1,684	130	7,298	3,006,335
1881	81,127	54,636	1,129	2,210,276	239	203	116	638	517	2,158	2,351,039
1882	80,693	37,497	1,814	2,031,266	486	2	101	906	45	5,088	2,157,898
1883	84,616	47,906	2,897	2,060,093	358	22	1,865	603	2,125	1,859	2,202,344
1884	80,899	17,107	830	2,268,839	278	95	4,390	3,989	504	2,045	2,378,976
1885	88,751	11,935	694	2,676,466	1,026	7	1,634	689	36	1,818	2,783,056
1886	71,282	22,468	405	3,018,411	797	31	3,331	754	941	2,400	3,120,820
1887	79,120	19,926	363	2,717,338	4,989	52	1,005	520	796	2,599	2,826,108
1888	57,601	10,866	736	2,533,102	30,881	6,404	2,679	5,796	3,581	3,358	2,655,004
1889	59,817	17,057	486	2,704,124	53,674	2,400	1,318	313	14,940	4,645	2,858,774
Six Months 1890	28,200	12,546	—	1,268,307	32,249	—	44	—	9,087	5,048	1,355,481

Statistical Office, Custom House, London, 10 July 1890.

T. J. Pittar.

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AN ACCOUNT showing the Quantity of RUM imported into the UNITED KINGDOM in each Year from 1870 to 1889 inclusive, and in the Six Months ended 30th June 1890, distinguishing the Principal COUNTRIES from which Imported.

YEARS.	PRINCIPAL COUNTRIES FROM WHICH IMPORTED.																	TOTAL.
	Germany.	Holland.	France.	Egypt.	British Possessions in South Africa.	Mauritius.	British East Indies.	Hong Kong.	Australasia.	United States.	British West India Islands.	British Honduras.	British Guiana.	Spainish West India Islands.	Dutch Guiana.	Danish West India Islands.	Peru.	Other Countries.	
	Proof Gallons.	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*
1870	555	7,105	23,631	9	2,149	657,216	89,935	–	4	1,297	2,631,286	5,702	3,130,113	307,509	37,666	70	–	20,870	6,915,117
1871	1,304	19,783	2,654	124	9,582	391,612	28,510	–	37	144	2,982,229	6,011	3,688,647	297,814	86,209	5,236	10	6,884	7,526,890
1872	515	5,619	1,190	1	9,157	448,339	17,634	29,234	460	2,015	2,881,533	37	2,861,268	142,144	112,700	20,201	4	5,222	6,537,273
1873	21,608	8,781	984	17	1,553	390,350	2,091	67,419	259	3,894	2,313,665	–	3,341,847	621,597	156,422	146	–	678	6,931,311
1874	22,863	1,148	13,726	8	254	728,851	421	4,200	20,643	405	2,925,925	1,390	3,578,982	612,687	160,060	77,019	–	1,790	8,150,372
1875	44,262	23,135	10,029	189,332	–	583,365	21	19,232	72,252	205	3,445,566	1,546	3,624,294	569,407	176,418	35,443	6,457	15,690	8,816,654
1876	12,604	11,223	3,839	107,155	33,687	591,193	1,883	79,783	56,871	389	3,476,225	1,140	4,717,583	1,132,516	98,457	111	64,343	6,333	10,395,335
1877	13,956	1,723	424	2,815	30,952	636,102	–	90,229	68,161	703	2,971,715	–	3,777,871	162,796	114,916	21	41,710	6,056	7,920,150
1878	2,475	67	317	22,574	1,537	441,146	22	12,170	1,208	816	2,453,934	–	3,364,094	165,414	113,255	391	11,854	8,477	6,599,751
1879	4,261	517	460	52,012	140	338,917	250	–	49,078	5,517	2,616,598	–	3,539,647	218,465	111,623	18	5,893	3,261	6,946,657
1880	1,901	74	349	3,954	23	61,337	76	–	31,780	6,604	2,420,297	–	3,288,560	209,421	77,910	974	–	4,401	6,107,661
1881	28,139	23,875	16,648	–	63,908	110,468	1,298	31,377	2,232	10,391	1,840,966	–	2,586,469	33,953	58,182	41	–	8,940	4,816,887
1882	187,926	47,852	10,235	24	1,097	233,174	3,519	55,445	220	36,229	3,062,051	102	3,363,405	168,056	83,986	174	44,663	7,521	7,305,679
1883	144,704	20,367	491	27	48,920	61,760	84,161	–	12	14,832	2,470,784	4,048	2,809,974	150,649	63,229	8,572	22,237	74,731	5,979,498
1884	114,576	16,751	605	4	165,358	77,675	70,095	9,749	61,753	13,491	2,690,461	15,481	3,980,150	42,879	58,671	21,403	32,491	4,879	7,376,472
1885	70,961	7,935	11,901	112	126,756	77,618	–	47,899	63,217	12,759	2,509,968	10,612	3,289,861	534,100	44,055	20,872	40,444	8,511	6,877,581
1886	72,260	3,192	3,127	–	111,487	116,976	6	27,548	108,263	45,564	1,600,160	26	2,850,925	79,151	56,948	4	5,875	18,498	5,100,010
1887	62,812	2,256	5,977	96	63,175	2,607	1	–	25,583	36,782	2,750,958	–	3,231,517	75,830	57,601	43,690	–	3,185	6,362,070
1888	59,858	406	2,003	–	51,303	4,401	–	–	65,076	14,919	2,356,260	–	1,497,473	55,902	37,147	1,519	–	297	4,146,564
1889	278,660	29,505	31,754	–	37,635	7,215	6,424	–	119,086	72,745	1,629,150	-	1,821,836	–	26,284	3	30	26,782	4,087,109
1890 6 months	202,631	19,362	41,039	–	9,481	79,114	7,769	–	27,861	48,332	1,071,126	–	1,837,405	159,599	25,611	–	–	836	3,530,166

Proportion per cent. of German rum to the total quantity during the last six months, 5·7 per cent.

Statistical Office, Custom House, London,
15 July 1890.

T. J. Pittar.

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AN ACCOUNT showing the Quantity of GENEVA Imported into the UNITED KINGDOM in each Year from 1870 to 1889, inclusive, and in the Six Months ended 30th June 1890, distinguishing the Principal COUNTRIES from which Imported.

YEARS.	PRINCIPAL COUNTRIES FROM WHICH IMPORTED.				TOTAL.
	Germany.	Holland.	Belgium.	Other Countries.	
	Proof Gallons.	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*	*Proof Gallons.*
1870	4,334	298,785	1,049	4,815	308,983
1871	3,453	346,704	597	1,271	352,025
1872	3,041	299,305	1,233	1,587	305,166
1873	1,366	320,557	1,247	1,326	324,496
1874	1,615	324,260	945	1,626	328,446
1875	1,294	301,347	323	1,890	304,854
1876	3,335	318,967	862	3,204	326,368
1877	6,741	289,206	257	1,868	298,072
1878	2,988	279,947	1,161	1,193	285,289
1879	1,713	250,449	1,482	488	254,132
1880	3,931	249,014	1,051	507	254,503
1881	2,448	261,149	253	259	264,109
1882	3,264	279,083	297	694	283,338
1883	4,163	275,781	938	489	281,371
1884	883	273,344	353	272	274,852
1885	3,083	299,608	253	214	303,158
1886	1,910	294,212	381	907	297,410
1887	576	258,948	157	95	259,776
1888	869	288,980	508	728	291,085
1889	813	302,690	743	247	304,493
Six Months 1890	238	152,707	342	62	153,349

Statistical Office, Custom House, London, 10 July 1890.

T. J. Pittar.

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AN ACCOUNT showing the Quantity of SPIRITS Unenumerated, not Sweetened, Imported into the UNITED KINGDOM in each Year from 1870 to 1889, inclusive, and in the Six Months ended 30th June 1890, distinguishing the Principal COUNTRIES from which Imported.

YEARS.	PRINCIPAL COUNTRIES FROM WHICH IMPORTED.											TOTAL.
	Russia.	Sweden.	Denmark.	Germany.	Holland.	Belgium.	France.	Australasia.	British North America.	United States of America.	Other Countries.	
	Proof Galls.	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*	*Proof Galls.*
1870	19	30,386	195	1,815,750	8,019	21,898	136,824	81	38	1,129	7,703	2,022,042
1871	83	3	64	1,341,013	8,637	20,047	162,172	120	52	1,392	4,189	1,537,772
1872	9	65	919	620,901	4,465	73,871	596,408	86	47	3,167	7,490	1,307,428
1873	8,914	27	254	901,784	16,155	61,754	259,613	13	1,437	7,876	2,233	1,260,050
1874	49,350	27	787	1,481,129	10,308	99,669	216,652	21	141	2,949	4,906	1,865,939
1875	29,601	39	545	2,163,279	54,475	140,390	402,488	111	134	1,193	3,123	2,795,378
1876	119,065	95	575	1,768,594	45,587	237,080	145,519	108	91	551	7,140	2,324,405
1877	202,174	101	15,204	1,972,694	24,641	226,905	3,653	70	—	2,421	7,875	2,455,738
1878	23,006	11	6,553	1,458,390	55,422	93,448	4,141	52	203	43,782	2,187	1,687,195
1879	2,107	34	104	1,071,892	51,574	11,877	2,406	67	194	74,253	3,032	1,217,540
1880	24	292	494	486,915	28,413	6,497	7,281	127	79	44,527	2,734	577,383
1881	20	238	20	697,918	48,838	57,830	7,414	121	78	131,096	4,196	947,769
1882	1,548	109	2,413	1,169,558	18,590	18,497	5,425	4,147	72	8,737	5,953	1,235,049
1883	41,774	325	13,850	879,783	25,728	17,353	137,692	3,273	14	139,560	1,844	1,261,196
1884	66,216	154	6,490	1,212,043	4,003	36,212	105,283	2,857	439	288,835	7,743	1,730,275
1885	58,728	139	22,917	1,468,892	12,749	620	12,089	1,474	4,674	92,111	5,300	1,679,693
1886	210,218	41,825	93,119	1,619,960	66,310	536	4,252	4,692	374	192,388	11,979	2,245,653
1887	95,054	42,562	156,669	1,814,191	113,678	1,391	4,300	1,317	160	104,238	6,518	2,340,078
1888	49,808	181	363,177	2,475,201	50,846	298	6,009	859	195	2,478	7,707	2,956,759
1889	392,002	90	265,616	2,489,395	16,100	282	4,827	999	1,344	14,157	14,658	3,199,470
Six months } 1890	520,272	—	122,226	958,200	18,374	142	1,733	718	—	2,019	4,713	1,628,397

Statistical Office, Custom House, London, 10 July 1890.

T. J. Pittar.

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AN ACCOUNT showing the Quantity of SPIRITS Unenumerated, Sweetened, or Mixed, Imported into the UNITED KINGDOM in each Year from 1870 to 1889, inclusive, and in the Six Months ended 30th June 1890, distinguishing the Principal COUNTRIES from which Imported.

YEARS.	PRINCIPAL COUNTRIES FROM WHICH IMPORTED.										TOTAL.
	Russia.	Denmark.	Germany.	Holland.	Belgium.	France.	Austrian Territories.	United States of America.	British West India Islands.	Other Countries.	
	Gallons.	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*
1870	609	3,013	3,787	10,135	536	13,969	2,554	745	2,348	1,818	39,514
1871	573	3,208	8,096	10,412	440	9,019	2,267	853	2,099	2,869	39,836
1872	570	3,634	11,232	10,733	237	11,253	2,254	970	1,506	2,301	44,690
1873	720	3,690	10,943	12,401	594	19,592	2,609	1,748	2,017	2,155	56,469
1874	884	3,388	7,854	16,373	284	9,233	3,102	2,639	2,656	2,905	49,318
1875	744	4,573	9,570	16,133	298	12,974	3,047	2,106	1,825	4,651	55,921
1876	880	3,725	10,648	12,576	204	45,141	2,747	1,567	8,910	2,530	88,928
1877	1,254	4,089	9,844	12,414	277	13,540	2,759	2,154	2,929	2,505	51,765
1878	1,127	3,714	12,648	11,388	316	22,467	2,837	2,123	6,415	2,240	65,275
1879	972	4,390	10,401	10,901	350	25,161	4,620	1,528	4,030	2,323	64,676
1880	1,639	3,771	13,616	12,307	600	15,593	2,034	2,386	4,328	3,109	59,383
1881	2,054	2,273	27,414	9,533	284	11,701	2,236	4,572	4,263	1,854	66,184
1882	1,525	2,511	20,261	9,330	536	12,951	2,413	4,005	3,796	2,080	59,408
1883	1,456	2,196	22,343	8,370	917	17,573	2,211	4,199	3,650	1,423	64,338
1884	1,632	2,612	15,655	7,851	622	20,414	2,289	4,482	5,233	2,051	62,841
1885	1,097	2,867	19,330	8,127	781	18,708	2,399	5,591	4,334	3,551	66,785
1886	2,025	3,005	17,708	7,527	1,019	18,262	2,392	10,732	4,545	4,032	71,247
1887	2,919	3,024	22,987	10,514	646	26,635	2,262	13,583	5,959	1,839	90,368
1888	2,456	3,536	20,153	8,383	863	30,332	2,689	7,523	5,075	2,787	83,797
1889	2,593	3,578	19,581	9,424	5,082	28,286	2,623	5,223	6,083	1,852	84,275
Six months 1890	767	1,484	5,484	3,965	186	8,018	1,264	2,879	2,747	657	27,451

Statistical Office, Custom House, London, 10 July 1890.

T. J. Pittar.

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APPENDIX, No. 2.

PAPER handed in by Mr. *W. C. Samuel*, 22 July 1890.

LIST of SAMPLES lodged with COMMITTEE.

Nos.		Nos.	
1	Rum, Jamaica.	17	Foreign plain spirit, Russian, for methylation (from potato).
2	„ Cuba.		
3	„ Demerara.	18	Foreign plain spirit, prime Berlin (from potato chemically pure).
4	„ Mauritius.		
5	„ Natal.	19	Rum made up in Customs Laboratory, artificially from plain spirit.
6	„ Australian.		
7	„ Hamburg.	20	Plain spirit, containing 0·3 per cent. added fusel oil.
8	Brandy, Charente.		
9	„ Spanish.	21	Plain spirit, containing 0·1 per cent. added fusel oil.
10	„ Hamburg.		
11	Geneva, Holland.	22	Brandy, average quality, 0·3 per cent. added fusel oil.
12	Whisky, American.		
13	„ Canadian.	23	Brandy, average quality, 0·1 per cent. added fusel oil.
14	Brandy, Old Cognac (15 years in bond).		
15	Foreign plain spirit, Russian, for methylation (from rye and potato).	24	Sample of commercial fusel oil used in Numbers 20—23.
16	Foreign plain spirit, Russian, for methylation (from beet).	25	Patent still spirit } not foreign.
		26	Pot still whisky }

21 July 1890.

W. Cobden Samuel.

STRENGTHS of FOREIGN SPIRITS on IMPORT. PRICES without DUTY.

	Strength.	Prices without Duty.
PLAIN SPIRITS	67 to 70 over proof	8 *d.* to 11 *d.* per proof gallon.
RUMS:		
Average	35·0 „ „	——
Jamaica	36·5 „ „	2 *s.* 4 *d.* to 2 *s.* 10 *d.* per liquid gallon.°
Demerara	38·6 „ „	1 *s.* 10 *d.* per proof gallon.
Cuba	32·6 „ „	1 *s.* 9 *d.* „ „
Mauritius	29·5 „ „	1 *s.* 6 *d.* „ „
Australian	41·7 „ „	1 *s.* 6½ *d.* now 1 *s.* 8 *d.*, per proof gallon.
Natal	41·2 „ „	1 *s.* 5 *d.* per proof gallon.
Hambro	35·0 „ „	9 *d.* to 11 *d.* per proof gallon.
BRANDY:		
French Casks	3 under to 5 over proof	5 *s.* 8 *d.* to 12 *s.* 6 *d.* per proof gallon.
French Bottles	14 to 15 under proof	15 *s.* to 40 *s.* per dozen of two gallons.
Spanish	3 to 5 over proof	6 *s.* to 7 *s.* per gallon.
GENEVA Casks	2 to 3 „ „	1 *s.* 8 *d.* to 2 *s.* 3 *d.* per proof gallon.
GENEVA Bottles	13 to 17 under proof	4 *s.* 10 *d.* to 6 *s.* per case of two gallons.
LIQUEURS:		
Anisette	46·7 under proof	——
Benedictine	74·1 „ „	——
Curaçoa	45·0 „ „	——
Chartreuse:		
Green	57·6 „ „	——
Yellow	25·9 „ „	——
Noyeau	44·4 „ „	——

° *Note.*—Jamaica rum is sold at the liquid gallon, and therefore by comparison is equal to about 1 *s.* 11 *d.* per proof gallon.

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RESULT of EXAMINATION of REPRESENTATIVE SAMPLES.

Number.	Spirit.	Country.	Date of Import.	Strength.	Extract at 212 F.	CHARACTER.
1	Rum -	Jamaica - - -	April 1890	O. P. 34·2	·590	High colour ; much bouquet ; fair quality.
2	„ -	Cuba - - -	May 1890	36·9	·688	Nearest Jamaica in colour and bouquet.
3	„ -	Demerara - -	April 1890	42·0	·661	Deeper colour ; rougher quality.
4	„ -	Mauritius - -	April 1890	31·3	·042	Straw colour ; least agreeable odour.
5	„ -	Natal - - -	Aug. 1888	37·4	·042	Nearly white. Odour of acetic ether.
6	„ -	Australia - -	April 1890	39·7	1·826	Deepest in colour, much body, saccharine odour.
7	„ -	Hamburg - -	June 1890	39·1	·567	Colour to imitate. Wanting in bouquet.
8	Brandy	Charente - -	1890 - -	4·2	·842	Light brown ; fair bouquet.
9	„ -	Cadiz - - -	1890 - -	Proof -	1·262	Similar in colour to French. Bouquet vinous.
10	„ -	Hamburg - -	1890 - -	O.P. 1·4	1·480	Brown. Wanting in characteristic odour.
11	Geneva -	Holland - - -	1890 - -	U.P. 1·0.	·054	White. Characteristic odour juniper.
12	Whisky -	Pensacola (United States).	April 1890	13·1	·972	Fair bouquet, resembling brandy. Taste distinct.

All these samples, with the exception of 7 and 10, were aromatic from the presence of ethereal oils or ethers, and all were free from the odours of fusel oil.

W. Cobden Samuel.

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APPENDIX, No. 3.

PAPER handed in by Mr. *Shand*.

FOR YEAR ENDED 30TH SEPTEMBER 1889.

COUNTRY.	Percentage of Malt in Total Quantity of Grain used at all Distilleries.	Percentage of Malt in Total Quantity of Grain used at Distilleries other than those producing Spirits from Malt only.
ENGLAND - - - - - - - -	18·3	18·3
SCOTLAND - - - - - - - -	62·0	32·6
IRELAND - - - - - - - -	33·6	32·4

25 July 1890.

John Molineux.

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APPENDIX, No. 4.

PAPER handed in by Sir *Algernon West*, K.C.B.

ABSTRACT of the Law in force in *Canada* with regard to the Warehousing of Spirits.

IN the accompanying seven papers regulating the production and sale of intoxicating liquors in Canada, certain provisions appear for suppressing the traffic in spirits not matured, or which are bad or adulterated.

The principal provision enacts that all spirits should be retained in warehouse for at least two years before being sent into consumption. This regulation came into full force on the 1st July 1890. There is an exception, however, in favour of new distillers, allowing them for the first two years of their business to send out one-third of their produce unmatured for any purpose, and for the succeeding three years one-third of their produce matured for one year. This law was first introduced by the Act of 1885, which allowed the distillers five years to manufacture seven years' supply. From the 1st July 1887 to the 1st July 1890 no spirits were to be delivered for drinking purposes unless aged for one year, and after 1st July 1890 unless aged for two years. The exception above mentioned was an indulgence to commencing distillers. It undoubtedly affects the conflicting interests of the consumer, and of the old and the new distillers, and is in direct variance with the principle which the main provision of the law is intended to serve.

43 & 49 Vict., 1885, page 4, sect. 9.
Inland Revenue Act, 1886, page 53, sect. 148.
51 Vict. c. 16, 1888, page 2.

This enactment as to maturing spirits is safeguarded by several regulations designed to prevent the introduction of new spirits into the market, thus :—

When imported spirits are brought into a distillery for maturing, the date of manufacture shall be that of receipt. Their previous ageing is therefore disregarded.

Regulations, page 14, sect. 5.

Imported spirits shall be in their original packages and brought direct from the Customs to the licensed distillery. They are then subject to the same rules as spirts made in Canada. The officer shall examine them as to quantity and quality, and as to marks and numbers, and if there is any "suspicion of adulteration," a sample is sent to the chief office for examination.

Regulations, page 11, sect. 3.
Regulations, page 11, sect. 4.
Regulations, page 11, "b."

Compounded spirits are subject to the same restrictions as other spirits. They are to be designated by a label or brand which is not to be obliterated. The label may be provided by the department.

Act of 1886, page 59, sect. 170.
Sect. 164, 48 & 49 Vict. c. 62, sect. 81.

The compounds allowed to be made are imitations of brandy, rum, gin, old tom, Geneva schnapps, British whisky, foreign whisky, and bitter liquors and cordials ; and these may be removed from the schedule, or others added to it.

Act of 1883, page 109; Schedule also, page 59, sect. 165.

When spirits are reduced or vatted in bond and re-warehoused, the "guarantee of age" is shown by placing the original year on the casks racked, also the year when racked.

Regulations, 1889, page 10, sect. 13.

When spirits are removed in bond from one distillery to another, "a memo. is written across the fact of each removal entry, stating the number of months in warehouse for which adjustment on account of maturing is made." The age of the spirits is thus shown and continued from warehouse to warehouse. When spirits are brought in duty paid, the distiller states in a requisition whether the spirits are potable or non-potable, foreign or "domestic." Their origin can thus be traced ; but duty-paid non-potable spirits are not to be received into a distillery.

Regulations, 1889, page 10, sect. 16.
Regulations, 1889, page 11 ; I. C.
Regulations, 1889, page 12, sect. 8.

When potable spirits from casks are placed in tanks for reducing or re-warehousing, the casks filled therefrom are to bear the date of the latest manufactured.

Regulations, 1889, page 14, sect. 4.

The one-third of annual produce allowed to be delivered "new" by a commencing distiller is to be marked "potable but not matured," and may go into consumption at once. If it were certain that the consumer would see this mark, no objection could arise, but the dealer or retailer might conceal the notice and vend the spirits as matured. Thus the object in view would be frustrated, and "new spirit" sold as matured.

Regulations, 1882, page, 14, sect. 7.

Certain allowances for shrinkage or waste in warehouse granted up to seven years, after which no abatement to be made, but the spirits must have been kept in wood or in ventilating tanks during the whole period. The ventilator to be according to a pattern supplied by the Inland Revenue Department, and designed to improve the spirit.

Act of 1886, page 45.
49 Vict. c. 39, page 2, "b."

The allowances at first are high. They ought to be continued beyond seven years.

Act of 1886, page 45, sects. 131 and 132.

Stock account of spirits received and delivered to be kept by distiller, according to departmental regulation. The trader's transactions can thus be traced and checked irrespective of the Revenue account.

Order in Council, page 3, sect. 22.
Act of 1883, pages 10 and 45.

Fusel oil and refuse ingredients to be allowed for and destroyed. There does not appear to be any special arrangement of still to eliminate fusel oil, and doubtless traces of it, and either remain in the finished spirit as is the case to some extent in the distilleries of the United Kingdom.

Order in Council, page 8, sects. 40 and 41 (2nd).

Tests are prescribed for testing the "standard of purity below which spirits shall be deemed to be non-potable." This is probably a very useful regulation.

Order in Council. page 5, sect. 31.

Packages containing non-potable spirits to be marked non-potable on both ends, not less than 2¾ inches in a special colour. Such spirits to be removed only to persons who have a licence to manufacture in bond, or to the department of Inland Revenue. Non-potable spirits are thus kept in view, and their removal for methylation, &c., provided for. The duty on raw grain spirit is, 1 dollar 30 cents per proof gallon ; on malted barley spirit, 1 dollar 32 cents, and on molasses, sugar, or syrup spirit, 1 dollar 33 cents. Molasses is a low class spirit, still it is charged the highest rate of duty.

Order in Council. page 6; C.
Order in Council. page 6, sects. 1 and 2.
The Act of 1886 page 44.

Licences to manufacture spirits not granted for certain territories. The memorandum addressed to the Hon. John Costigan is solely on the undesirability of allowing distillers beginning business to send one-third of their new spirit into consumption for any purpose.

Act of 1886, page 8.

Adulteration by spirit dealers and retailers is not referred to in the accompanying papers.

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APPENDIX, No. 5.

PAPER handed in by Mr. *Shand*.

STATEMENT showing the MATERIALS used and SPIRITS Produced by POT STILLS, PATENT STILLS, and both POT and PATENT STILLS at same Distillery, respectively, in ENGLAND, SCOTLAND, and IRELAND, from the Year ended 30th September 1880, to the Year ended 30th September 1889.

Year.	Description of Still.	ENGLAND.									SCOTLAND.										IRELAND.				
		Materials Used.								Spirits Produced.	Materials Used.									Spirits Produced.	Materials Used.				Spirits Produced.
		Malt.	Unmalted Grain.	Sugar.	Molasses.	Rice.	Dates.	Manioca.	Jawarree.		Malt.	Unmalted Grain.	Sugar.	Molasses.	Rice.	Currants.	Dates.	Potatoes.	Locust Beans.		Malt.	Unmalted Grain.	Sugar.	Molasses.	
		Qrs.	*Qrs.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Gallons.*	*Qrs.*	*Qrs.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Tons.*	*Cwts.*	*Gallons.*	*Qrs.*	*Qrs.*	*Cwts.*	*Cwts.*	*Gallons.*
1880	Pot only	–	–	–	–	–	–	–	–	—	418,250	30	–	–	–	–	–	–	–	6,502,110	114,079	203,332	–	–	5,631,088
	Patent only	65,519	323,703	–	204,772	–	–	–	–	9,827,765	37,848	125,515	–	20,083	–	–	–	–	–	3,359,640	14,554	50,152	–	–	1,187,321
	Both Pot and Patent	–	–	–	–	–	–	–	–		118,611	204,765	–	65,591	13,352	228	236	–	–	6,495,522	38,536	97,060	–	–	2,884,559
1881	Pot only	697	1,726	–	–	–	–	–	–	57,634	446,267	35	–	–	–	–	–	–	–	7,648,567	110,535	193,372	–	–	5,681,865
	Patent only	72,813	348,331	103	165,719	30,274	–	–	–	10,353,293	42,449	127,839	–	–	–	–	–	–	–	3,554,447	13,269	42,221	207	225	1,082,781
	Both Pot and Patent	–	–	–	–	–	–	–	–	—	113,296	212,766	–	57,437	–	–	–	–	–	7,080,189	37,506	88,277	–	–	2,659,017
1882	Pot only	2,951	14,780	–	–	–	–	–	–	53,023	461,188	79	–	–	–	–	–	–	–	7,680,513	104,820	188,520	–	–	5,490,281
	Patent only	66,787	301,868	237	127,412	133,775	1,838	–	–	9,834,218	51,676	149,140	–	5,839	5,537	–	–	730	–	4,299,162	13,487	44,625	–	–	1,129,793
	Both Pot and Patent	4,953	22,594	–	–	–	–	–	–	558,112	115,160	238,120	–	32,278	2,789	–	–	–	–	7,424,213	38,241	94,355	–	–	2,846,828
1883	Pot only	–	–	–	–	–	–	–	–	—	519,531	–	–	–	–	–	–	–	–	8,488,656	103,426	178,866	–	–	5,283,504
	Patent only	63,585	275,902	–	134,144	179,244	–	–	–	9,530,265	47,640	132,467	–	4,870	29,297	–	–	–	200	3,929,791	13,936	47,381	–	–	1,181,604
	Both Pot and Patent	5,511	27,601	–	–	–	–	–	–	652,103	109,056	208,189	–	37,949	30,658	–	–	–	–	6,693,143	37,345	95,190	–	–	2,789,488
1884	Pot only	–	–	–	–	–	–	–	–	—	574,228	–	–	–	–	–	–	–	–	9,276,481	99,501	177,824	–	–	5,226,630
	Patent only	55,482	241,513	3,782	228,618	263,623	–	–	–	9,822,466	51,383	149,735	–	12,961	–	–	–	–	–	4,288,113	16,781	65,019	–	–	1,583,114
	Both Pot and Patent	6,161	30,435	–	9,064	–	–	–	–	829,718	109,410	223,558	–	53,626	–	–	–	–	–	7,103,637	37,530	91,586	–	–	2,846,563
1885	Pot only	–	–	–	–	–	–	–	–	—	534,550	10	–	–	–	–	–	–	–	8,688,528	117,078	184,067	–	–	5,839,992
	Patent only	58,686	292,625	3,395	246,996	167,513	–	–	–	10,378,061	48,790	133,455	449	14,836	–	–	–	–	–	3,915,449	18,295	72,869	–	–	1,818,486
	Both Pot and Patent	1,736	10,402	–	15,137	–	–	–	–	393,852	113,005	202,951	–	64,118	–	–	–	–	–	6,817,422	36,679	88,987	–	–	2,771,822
1886	Pot only	–	–	–	–	–	–	–	–	—	443,699	–	–	–	–	–	–	–	–	7,498,409	115,828	183,798	–	–	5,760,823
	Patent only	53,403	326,075	100	119,949	10,971	–	–	–	9,415,544	47,360	119,607	–	11,875	–	–	–	–	–	3,613,756	18,592	73,535	–	–	1,830,606
	Both Pot and Patent	1,849	10,388	–	–	–	–	–	–	310,765	100,991	182,413	12,255	36,250	–	–	–	–	–	6,213,334	37,868	92,677	–	–	2,757,752
1887	Pot only	–	–	–	–	–	–	–	–	—	458,621	171	–	–	–	–	–	–	–	7,685,980	122,061	187,493	–	–	5,929,988
	Patent only	54,130	276,172	165	145,642	3,580	–	–	–	8,264,569	49,019	112,123	–	13,098	–	–	–	–	–	3,553,235	19,459	77,450	–	–	1,863,745
	Both Pot and Patent	3,245	37,779	–	40,222	8,608	–	52	–	1,436,456	103,379	190,790	19,882	22,480	–	–	–	–	–	6,520,111	46,075	109,514	–	–	3,410,648
1888	Pot only	–	–	–	–	–	–	–	–	—	409,538	296	–	–	–	–	–	–	–	6,963,691	120,649	175,278	–	–	5,552,329
	Patent only	54,157	244,918	–	139,933	64,873	–	–	10,384	7,877,751	63,472	158,451	–	2,462	–	–	–	–	–	4,661,962	20,301	76,984	–	–	1,881,656
	Both Pot and Patent	3,949	35,838	–	68,226	10,384	–	–	–	1,647,267	116,149	205,754	38,317	–	–	–	–	–	–	6,738,813	49,822	123,864	–	–	3,657,884
1889	Pot only	–	–	–	–	–	–	–	–	—	454,362	92	–	–	–	–	–	–	–	7,367,727	126,329	183,709	–	–	5,745,764
	Patent only	57,286	238,179	–	129,083	46,524	–	–	–	7,626,740	98,684	248,060	18,502	1,962	–	–	–	–	–	7,301,678	21,428	81,097	–	–	1,992,813
	Both Pot and Patent	2,871	26,829	–	80,419	11,197	–	–	8,698	1,482,282	90,069	148,114	15,650	–	–	–	–	–	–	4,745,672	50,995	128,183	–	–	3,665,210

25 July 1890.

Jno. Molineux.

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Report, 1890—*continued.*

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Explanation as to the distribution of the 40,969,295 gallons of spirits produced in the year ended 31st March 1890, 21,828,284 gallons, out of 27,828,284 that were sent out for consumption, having been sold as whisky, and the remaining 6,000,000 as gin and British brandy; mixture of a comparatively small quantity of foreign spirit with whisky in the stocks of wholesale dealers and retailers, *Molyneux* 345–357. 456–458.

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Belief that there is no detective department in either the Customs or Excise as regards whisky, *Samuel* 1404-1407—Examination as to the degree of advantage on the score of health and flavour in whisky being distilled from malt; statement hereon as to patent-still spirit not improving with age, *ib.* 1418-1451—Dissent from the view that new malt whisky is necessarily injurious by reason of fusel oil impurities, *ib.* 1501-1503. 1531-1533. 1601-1603.

See also *Blending. Bond. Fusel Oil. Health. Patent Stills. Pot Stills.*

Williams, D. P. (Analysis of his Evidence.)—Witness is Collector and Surveyor in Dundee; has had nearly twenty-eight years' experience as an officer of the Customs Department, 653, 654.

General agreement of witness with the evidence given by Mr. Murray; explanation as to the spirits, &c., that are, and are not, allowed to be imported from Hamburg under the Merchandise Marks Act, 656-663. 709-733, 805, 806—Return handed in by witness showing the importations of spirits from each country for last year; information as to the qualities of the various spirits, the inferior German plain spirit being used almost invariably for methylation, 664-674. 784-797.

Belief that German potato spirit is better than British patent-still spirit, although the two are much the same in price; statement that, in order to prevent the foreign spirit having any advantage over the native one, the Customs intend to adopt the Excise plan and weigh spirits instead of gauging them, 675-686. 764-783—Opinion that the idea that German spirit is largely used for blending with or diluting whiskies is a delusion; attention

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Report, 1890— *continued.*

Williams, D. P. (Analysis of his Evidence)—*continued.*

attention called to a return showing how the imported German spirit is disposed of, 1,000,000 gallons of it being consumed chiefly in the manufacture of gin, 687–695.

View of witness that if a purity standard be decided upon, it should be applied to spirits when going out of bond; possibility of applying the Food and Drugs Act also to spirits after they have gone out of bond, 703–708——Impossibility of preventing the mixture of silent spirit with whisky; belief that any attempt to do so would inflict a great hardship upon the trade in the ports and give no protection to the public, 734–763. 807–815. 826–832.

Grounds for the opinion that the addition of pure German spirit to pot-still whisky is rather a falsification of the article than an adulteration, 798-804——Statement that the practice of grogging has been checked to a very considerable extent in recent years; non-exportation from Glasgow of a number of casks in which racking has gone on, 816–825.

Wines. Very different conditions between the ageing of claret or champagne and of spirit; difficulty by analysis of assessing the relative commercial value in the former case as affected by age, *Bell* 1174–1186.

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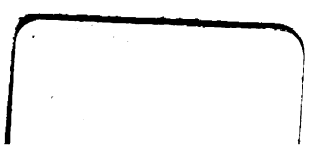

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